

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 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 the holder of the certificate of
9 purchase to assign the certificate to the county collector
10 if requested by the county collector. The county collector
11 may, upon request of the county, as trustee, or upon
12 request of a taxing district having an interest in the
13 taxes sold, further assign any certificate of purchase
14 received pursuant to this paragraph (2) to the county
15 acting as trustee for taxing districts pursuant to Section
16 21-90 of this Code or to the taxing district having an
17 interest in the taxes sold.

18 (3) There is an interest held by the United States in
19 the property sold which could not be extinguished by the
20 tax deed.

21 (4) The real property contains a hazardous substance,
22 hazardous waste, or underground storage tank that would
23 require cleanup or other removal under any federal, State,
24 or local law, ordinance, or regulation, only if the tax
25 purchaser purchased the property without actual knowledge
26 of the hazardous substance, hazardous waste, or

1 underground storage tank. This paragraph (4) applies only
2 if the owner of the certificate of purchase has made
3 application for a sale in error at any time before the
4 issuance of a tax deed.

5 Whenever a court declares a sale in error under this
6 subsection (b), the court shall promptly notify the county
7 collector in writing. Every such declaration pursuant to any
8 provision of this subsection (b) shall be made within the
9 proceeding in which the tax sale was authorized.

10 (c) When the county collector discovers, prior to the
11 expiration of the period of redemption, that a tax sale should
12 not have occurred for one or more of the reasons set forth in
13 subdivision (a) (1), (a) (2), (a) (6), or (a) (7) of this Section,
14 the county collector shall notify the last known owner of the
15 certificate of purchase by certified and regular mail, or other
16 means reasonably calculated to provide actual notice, that the
17 county collector intends to declare an administrative sale in
18 error and of the reasons therefor, including documentation
19 sufficient to establish the reason why the sale should not have
20 occurred. The owner of the certificate of purchase may object
21 in writing within 28 days after the date of the mailing by the
22 county collector. If an objection is filed, the county
23 collector shall not administratively declare a sale in error,
24 but may apply to the circuit court for a sale in error as
25 provided in subsection (a) of this Section. Thirty days
26 following the receipt of notice by the last known owner of the

1 certificate of purchase, or within a reasonable time
2 thereafter, the county collector shall make a written
3 declaration, based upon clear and convincing evidence, that the
4 taxes were sold in error and shall deliver a copy thereof to
5 the county clerk within 30 days after the date the declaration
6 is made for entry in the tax judgment, sale, redemption, and
7 forfeiture record pursuant to subsection (d) of this Section.
8 The county collector shall promptly notify the last known owner
9 of the certificate of purchase of the declaration by regular
10 mail and shall promptly pay the amount of the tax sale,
11 together with interest and costs as provided in Section 21-315,
12 upon surrender of the original certificate of purchase.

13 (d) If a sale is declared to be a sale in error, the county
14 clerk shall make entry in the tax judgment, sale, redemption
15 and forfeiture record, that the property was erroneously sold,
16 and the county collector shall, on demand of the owner of the
17 certificate of purchase, refund the amount paid, pay any
18 interest and costs as may be ordered under Sections 21-315
19 through 21-335, and cancel the certificate so far as it relates
20 to the property. The county collector shall deduct from the
21 accounts of the appropriate taxing bodies their pro rata
22 amounts paid. Alternatively, for sales in error declared under
23 subsection (b) (2), the county collector may request the circuit
24 court to direct the county clerk to record any assignment of
25 the tax certificate to or from the county collector without
26 charging a fee for the assignment. The owner of the certificate

1 of purchase shall receive all statutory refunds and payments.
2 The county collector shall deduct costs and payments in the
3 same manner as if a sale in error had occurred.

4 (Source: P.A. 94-312, eff. 7-25-05; 94-662, eff. 1-1-06;
5 95-331, eff. 8-21-07.)

6 (35 ILCS 200/21-385)

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

1 collector by order of the court which ordered the property
2 sold, in which case the period of redemption shall be extended
3 for such period as may be designated by the holder of the
4 certificate, such period not to exceed 36 months from the date
5 of the assignment to the collector. If the period of redemption
6 is extended, the purchaser or his or her assignee must give the
7 notices provided for in Section 22-10 at the specified times
8 prior to the expiration of the extended period of redemption by
9 causing a sheriff (or if he or she is disqualified, a coroner)
10 of the county in which the property, or any part thereof, is
11 located to serve the notices as provided in Sections 22-15 and
12 22-20. The notices may also be served as provided in Sections
13 22-15 and 22-20 by a special process server appointed by the
14 court under Section 22-15.

15 (Source: P.A. 91-209, eff. 1-1-00; 91-554, eff. 8-14-99.)