

HB5747



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5747

Introduced 11/16/2022, by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-205

Amends the Property Tax Code. Provides that, for the purposes of the single bidder rule, certain entities that share information, office space, or bidding strategy related to any parcel offered at a tax sale with any other registered individual are considered a related bidding entity. Provides that a registered participant that incurs damages as a result of a violation of the single bidder rule may bring suit in the circuit court and may recover treble damages and reasonable attorney's fees.

LRB102 27243 HLH 38942 b

A BILL FOR

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

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

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

22 (b-5) For any annual tax sale conducted on or after the
23 effective date of this amendatory Act of the 102nd General
24 Assembly, each county collector in a county with 275,000 or
25 more inhabitants shall adopt a single bidder rule sufficient
26 to prohibit a tax purchaser from registering more than one

1 related bidding entity at the tax sale. The corporate
2 authorities in any county with less than 275,000 inhabitants
3 may, by ordinance, allow the county collector of that county
4 to adopt such a single bidder rule. In any county that has
5 adopted a single bidder rule under this subsection (b-5), the
6 county treasurer shall include a representation and warranty
7 form in each registration package attesting to compliance with
8 the single bidder rule, except that the county may, by
9 ordinance, opt out of this representation and warranty form
10 requirement. A single bidder rule under this subsection may be
11 in the following form:

12 (1) A registered tax buying entity (principal) may
13 only have one registered buyer at the tax sale and may not
14 have a related bidding entity directly or indirectly
15 register as a buyer or participate in the tax sale. A
16 registered tax buying entity may not engage in any
17 multiple bidding strategy for the purpose of having more
18 than one related bidding entity submit bids at the tax
19 sale.

20 (2) A related bidding entity is defined as any
21 individual, corporation, partnership, joint venture,
22 limited liability company, business organization, or other
23 entity that has a shareholder, partner, principal,
24 officer, general partner, or other person or entity having
25 (i) an ownership interest in a bidding entity in common
26 with any other registered participant in the tax sale or

1 (ii) a common guarantor in connection with a source of
2 financing with any other registered participant in the tax
3 sale. An individual, assumed name or "doing business as"
4 entity, corporation, partnership, joint venture, limited
5 liability company, business organization, or other entity
6 that shares information, office space, or bidding strategy
7 related to any parcel offered at the tax sale with any
8 other registered individual, assumed name or "doing
9 business as" entity, corporation, partnership, joint
10 venture, limited liability company, business organization,
11 or other entity that is a registered participant is also
12 considered a related bidding entity. The determination of
13 whether registered entities are related so as to prohibit
14 those entities from submitting duplicate bids in violation
15 of the single bidder rule is at the sole and exclusive
16 discretion of the county treasurer or his or her
17 designated representatives.

18 If a registered participant at a tax sale incurs damages
19 on or after the effective date of this amendatory Act of the
20 102nd General Assembly as a result of a violation of the single
21 bidder rule under this Section, then that registered
22 participant may bring suit, in the circuit court of the county
23 where the tax sale occurred, against the registered
24 participant or participants who are alleged to have violated
25 the single bidder rule. Upon a finding by the court that a
26 violation of the single bidder rule occurred, the person

1 bringing suit shall recover treble damages and reasonable
2 attorney's fees. An action for a violation of the single
3 bidder rule must be filed within 2 years after the date of
4 discovery of the violation that gave rise to the claim.

5 (c) County collectors may, when applicable, eject tax
6 bidders who disrupt the tax sale or use illegal bid practices.

7 (Source: P.A. 102-519, eff. 8-20-21.)