



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3480

Introduced 2/17/2023, by Rep. Kam Buckner

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-240
35 ILCS 200/21-310
35 ILCS 200/21-330
35 ILCS 200/22-10
35 ILCS 200/22-35
35 ILCS 200/22-50

Amends the Property Tax Code. Makes various changes concerning sales in error. In provisions allowing a sale in error if the assessor, chief county assessment officer, board of review, board of appeals, or other county official has made an error, provides that the error must be material to the tax sale at issue and may not be an error in the description of the physical characteristics, location, or picture of the property. Removes provisions allowing a sale in error when a bankruptcy petition has been filed after the tax sale and before the issuance of the tax deed. Provides that, if the bankruptcy petition is filed prior to the tax sale, then a sale in error is allowed if the property is subject to an automatic stay and the stay is active on the date of the date of that sale. Provides that the \$100 fee paid by a tax purchaser for a certificate of purchase is non-refundable. Provides that the notice of the expiration of the period of redemption shall be delivered to the sheriff (or to the coroner or private detective, as applicable) for service not less than 5 months prior to the expiration of the period of redemption. Makes other changes

LRB103 26852 HLH 53216 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 Property Tax Code is amended by changing
5 Sections 21-240, 21-310, 21-330, 22-10, 22-35, and 22-50 as
6 follows:

7 (35 ILCS 200/21-240)

8 Sec. 21-240. Payment for property purchased at tax sale;
9 reoffering for sale. Except as otherwise provided below, the
10 person purchasing any property, or any part thereof, shall be
11 liable to the county for the amount due and shall forthwith pay
12 to the county collector the amount charged on the property.
13 Upon failure to do so, the amount due shall be recoverable in a
14 civil action brought in the name of the People of the State of
15 Illinois in any court of competent jurisdiction. The person so
16 purchasing shall be relieved of liability only by payment of
17 the amount due together with interest and costs thereon, or if
18 the property is reoffered at the sale, purchased and paid for.
19 Reoffering of the property for sale shall be at the discretion
20 of the collector. The sale shall not be closed until payment is
21 made or the property again offered for sale. In counties with
22 3,000,000 or more inhabitants, only the taxes, special
23 assessments, interest and costs as advertised in the sale

1 shall be required to be paid forthwith. The general taxes
2 charged on the land remaining due and unpaid, including
3 amounts subject to certificates of error, not included in the
4 advertisement, shall be paid by the purchaser within 10 days
5 after the sale, except that upon payment of the fee provided by
6 law to the County Clerk (which fee shall be deemed part of the
7 costs of sale) the purchaser may make written application,
8 within the 10 day period, to the county clerk for a statement
9 of all taxes, interest and costs due and an estimate of the
10 cost of redemption of all forfeited general taxes, which were
11 not included in the advertisement. After obtaining such
12 statement and estimate and an order on the county collector to
13 receive the amount of forfeited general taxes, if any, the
14 purchaser shall pay to the county collector all the remaining
15 taxes, interest and costs, and the amount necessary to redeem
16 the forfeited general taxes. The county collector shall issue
17 the purchaser a receipt therefor. Any delay in providing the
18 statement or in accepting payment, and delivering receipt
19 therefor, shall not be counted as a part of the 10 days. When
20 the receipt of the collector is issued, a copy shall be filed
21 with the county clerk and the county clerk shall include the
22 amount shown in such receipt in the amount of the purchase
23 price of the property in the certificate of purchase. The
24 purchaser then shall be entitled to a certificate of purchase.
25 If a purchaser fails to complete his or her purchase as
26 provided in this Section, the purchase shall become void, and

1 be of no effect, but the collector shall not refund the amount
2 paid in cash at the time of the sale, except in cases of sale
3 in error under subsection (a) of Section 21-310. That amount
4 shall be treated as a payment and distributed to the taxing
5 bodies as other collections are distributed. The lien for
6 taxes for the amount paid shall remain on the property, in
7 favor of the purchaser, his or her heirs or assigns, until paid
8 with 5% interest per year on that amount from the date the
9 purchaser paid it. The amount and fact of such ineffective
10 purchase shall be entered in the tax judgment, sale,
11 redemption and forfeiture record opposite the property upon
12 which the lien remains. No redemption shall be made without
13 payment of this amount for the benefit of the purchaser, and no
14 future sale of the property shall be made except subject to the
15 lien of such purchaser. This section shall not apply to any
16 purchase by any city, village or incorporated town in default
17 of other bidders at any sale for delinquent special
18 assessments.

19 (Source: P.A. 84-1308; 88-455.)

20 (35 ILCS 200/21-310)

21 Sec. 21-310. Sales in error.

22 (a) When, upon application of the county collector, the
23 owner of the certificate of purchase, or a municipality which
24 owns or has owned the property ordered sold, it appears to the
25 satisfaction of the court which ordered the property sold that

1 any of the following subsections are applicable, the court
2 shall declare the sale to be a sale in error:

3 (1) the property was not subject to taxation, or all
4 or any part of the lien of taxes sold has become null and
5 void pursuant to Section 21-95 or unenforceable pursuant
6 to subsection (c) of Section 18-250 or subsection (b) of
7 Section 22-40; τ

8 (2) the taxes or special assessments had been paid
9 prior to the sale of the property; τ

10 (3) there is a double assessment; τ

11 (4) the description is void for uncertainty; τ

12 (5) the assessor, chief county assessment officer,
13 board of review, board of appeals, or other county
14 official has made an error material to the tax sale at
15 issue (other than an error of judgment as to the value of
16 any property or an error in the description of the
17 physical characteristics, location, or picture of the
18 property); τ

19 (5.5) the owner of the homestead property had tendered
20 timely and full payment to the county collector that the
21 owner reasonably believed was due and owing on the
22 homestead property, and the county collector did not apply
23 the payment to the homestead property; provided that this
24 provision applies only to homeowners, not their agents or
25 third-party payors; τ

26 (6) prior to the tax sale a voluntary or involuntary

1 petition has been filed by or against the legal or
2 beneficial owner of the property requesting relief under
3 the provisions of 11 U.S.C. Chapter 7, 11, 12, or 13, the
4 property is subject to an automatic stay pursuant to that
5 petition, and that stay is active on the date of the date
6 of that sale;

7 (7) the property is owned by the United States, the
8 State of Illinois, a municipality, or a taxing district; ~~7~~
9 or

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

13 (b) When, upon application of the owner of the certificate
14 of purchase only, it appears to the satisfaction of the court
15 which ordered the property sold that any of the following
16 subsections are applicable, the court shall declare the sale
17 to be a sale in error:

18 (1) (Blank). ~~A voluntary or involuntary petition under~~
19 ~~the provisions of 11 U.S.C. Chapter 7, 11, 12, or 13 has~~
20 ~~been filed subsequent to the tax sale and prior to the~~
21 ~~issuance of the tax deed.~~

22 (2) The improvements upon the property sold have been
23 substantially destroyed or rendered uninhabitable or
24 otherwise unfit for occupancy subsequent to the tax sale
25 and prior to the issuance of the tax deed; however, if the
26 court declares a sale in error under this paragraph (2),

1 the court may order the holder of the certificate of
2 purchase to assign the certificate to the county collector
3 if requested by the county collector. The county collector
4 may, upon request of the county, as trustee, or upon
5 request of a taxing district having an interest in the
6 taxes sold, further assign any certificate of purchase
7 received pursuant to this paragraph (2) to the county
8 acting as trustee for taxing districts pursuant to Section
9 21-90 of this Code or to the taxing district having an
10 interest in the taxes sold.

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. If the court declares a sale in
24 error under this paragraph (4), the court may order the
25 holder of the certificate of purchase to assign the
26 certificate to the county collector if requested by the

1 county collector. The county collector may, upon request
2 of the county, as trustee, or upon request of a taxing
3 district having an interest in the taxes sold, further
4 assign any certificate of purchase received pursuant to
5 this paragraph (4) to the county acting as trustee for
6 taxing districts pursuant to Section 21-90 of this Code or
7 to the taxing district having an interest in the taxes
8 sold.

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

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

1 the county collector shall not administratively declare a sale
2 in error, but may apply to the circuit court for a sale in
3 error as provided in subsection (a) of this Section. Thirty
4 days following the receipt of notice by the last known owner of
5 the certificate of purchase, or within a reasonable time
6 thereafter, the county collector shall make a written
7 declaration, based upon clear and convincing evidence, that
8 the taxes were sold in error and shall deliver a copy thereof
9 to the county clerk within 30 days after the date the
10 declaration is made for entry in the tax judgment, sale,
11 redemption, and forfeiture record pursuant to subsection (d)
12 of this Section. The county collector shall promptly notify
13 the last known owner of the certificate of purchase of the
14 declaration by regular mail and shall promptly pay the amount
15 of the tax sale, together with interest and costs as provided
16 in Section 21-315, upon surrender of the original certificate
17 of purchase.

18 (d) If a sale is declared to be a sale in error, the county
19 clerk shall make entry in the tax judgment, sale, redemption
20 and forfeiture record, that the property was erroneously sold,
21 and the county collector shall, on demand of the owner of the
22 certificate of purchase, refund the amount paid, except for
23 the nonrefundable \$80 fee paid, pursuant to Section 21-295,
24 for each item purchased at the tax sale, pay any interest and
25 costs as may be ordered under Sections 21-315 through 21-335,
26 and cancel the certificate so far as it relates to the

1 property. The county collector shall deduct from the accounts
2 of the appropriate taxing bodies their pro rata amounts paid.
3 Alternatively, for sales in error declared under subsection
4 (b) (2) or (b) (4), the county collector may request the circuit
5 court to direct the county clerk to record any assignment of
6 the tax certificate to or from the county collector without
7 charging a fee for the assignment. The owner of the
8 certificate of purchase shall receive all statutory refunds
9 and payments. The county collector shall deduct costs and
10 payments in the same manner as if a sale in error had occurred.
11 (Source: P.A. 100-890, eff. 1-1-19; 101-379, eff. 1-1-20;
12 101-659, eff. 3-23-21.)

13 (35 ILCS 200/21-330)

14 Sec. 21-330. Fund for payment of interest. In all counties
15 of less than 3,000,000 inhabitants, the county board, by
16 resolution, may impose a fee for payment of interest and
17 costs. Each person purchasing any property at a sale under
18 this Code shall pay to the county collector, prior to the
19 issuance of any certificate of purchase, a fee of up to \$60 for
20 each item purchased. Each person purchasing any property at a
21 sale held under this Code in a county with 3,000,000 or more
22 inhabitants shall pay to the county collector, prior to the
23 issuance of any certificate of purchase, a nonrefundable fee
24 of \$100 for each item purchased. That amount shall be included
25 in the price paid for the certificate of purchase and the

1 amount required to redeem under Section 21-355.

2 All sums of money received under this Section shall be
3 paid by the collector to the county treasurer of the county in
4 which the property is situated for deposit into a special
5 fund. It shall be the duty of the county treasurer, as trustee
6 of the fund, to invest the principal and income of the fund
7 from time to time, if not immediately required for payments
8 under this Section, in investments as are authorized by
9 Sections 3-10009 and 3-11002 of the Counties Code. The fund
10 shall be held to pay interest and costs by the county treasurer
11 as trustee of the fund. No payment shall be made from the fund
12 except by order of the court declaring a sale in error under
13 Section 21-310, 22-35, or 22-50 or by declaration of the
14 county collector under subsection (c) of Section 21-310. Any
15 moneys accumulated in the fund by the county treasurer in
16 excess of (i) \$100,000 in counties with 250,000 or less
17 inhabitants or (ii) \$500,000 in counties with more than
18 250,000 inhabitants shall be paid each year prior to the
19 commencement of the annual tax sale, first to satisfy any
20 existing unpaid judgments entered pursuant to Section 21-295,
21 and any funds remaining thereafter shall be paid to the
22 general fund of the county.

23 (Source: P.A. 100-1070, eff. 1-1-19.)

24 (35 ILCS 200/22-10)

25 Sec. 22-10. Notice of expiration of period of redemption.

1 A purchaser or assignee shall not be entitled to a tax deed to
 2 the property sold unless, not less than 3 months nor more than
 3 6 months prior to the expiration of the period of redemption,
 4 he or she gives notice of the sale and the date of expiration
 5 of the period of redemption to the owners, occupants, and
 6 parties interested in the property, including any mortgagee of
 7 record, as provided below. The purchaser or assignee shall
 8 deliver the notice of the expiration of the period of
 9 redemption to the sheriff of the county in which the property
 10 is located not less than 5 months prior to the expiration of
 11 the period of redemption. If service is made by the coroner or
 12 by a person who is licensed or registered as a private
 13 detective under the Private Detective, Private Alarm, Private
 14 Security, Fingerprint Vendor, and Locksmith Act of 2004 under
 15 the circumstances described in Section 22-15 for service by
 16 those persons, then the notice of expiration of the period of
 17 redemption shall be delivered to the coroner or the private
 18 detective, as applicable, instead of to the sheriff. ~~the~~

19 The Notice to be given to the parties shall be in at least
 20 10-point ~~10-point~~ type in the following form completely filled
 21 in:

22 TAX DEED NO. FILED

23 TAKE NOTICE

24 County of

25 Date Premises Sold

26 Certificate No.

1 Sold for General Taxes of (year)

2 Sold for Special Assessment of (Municipality)

3 and special assessment number

4 Warrant No. Inst. No.

5 THIS PROPERTY HAS BEEN SOLD FOR

6 DELINQUENT TAXES

7 Property located at

8 Legal Description or Property Index No.

9

10

11 This notice is to advise you that the above property has

12 been sold for delinquent taxes and that the period of

13 redemption from the sale will expire on

14

15 The amount to redeem is subject to increase at 6 month

16 intervals from the date of sale and may be further increased if

17 the purchaser at the tax sale or his or her assignee pays any

18 subsequently accruing taxes or special assessments to redeem

19 the property from subsequent forfeitures or tax sales. Check

20 with the county clerk as to the exact amount you owe before

21 redeeming.

22 This notice is also to advise you that a petition has been

23 filed for a tax deed which will transfer title and the right to

24 possession of this property if redemption is not made on or

25 before

26 This matter is set for hearing in the Circuit Court of this

1 county in, Illinois on

2 You may be present at this hearing but your right to redeem
3 will already have expired at that time.

4 YOU ARE URGED TO REDEEM IMMEDIATELY
5 TO PREVENT LOSS OF PROPERTY

6 Redemption can be made at any time on or before by
7 applying to the County Clerk of, County, Illinois at the
8 Office of the County Clerk in, Illinois.

9 For further information contact the County Clerk

10 ADDRESS:.....

11 TELEPHONE:.....

12

13 Purchaser or Assignee.

14 Dated (insert date).

15 In counties with 3,000,000 or more inhabitants, the notice
16 shall also state the address, room number, and time at which
17 the matter is set for hearing.

18 The changes to this Section made by Public Act 97-557
19 apply only to matters in which a petition for tax deed is filed
20 on or after July 1, 2012 (the effective date of Public Act
21 97-557).

22 The changes to this Section made by Public Act 102-1003
23 ~~this amendatory Act of the 102nd General Assembly~~ apply to
24 matters in which a petition for tax deed is filed on or after

1 May 27, 2022 (the effective date of Public Act 102-1003) ~~this~~
2 ~~amendatory Act of the 102nd General Assembly~~. Failure of any
3 party or any public official to comply with the changes made to
4 this Section by Public Act 102-528 does not invalidate any tax
5 deed issued prior to May 27, 2022 (the effective date of Public
6 Act 102-1003) ~~this amendatory Act of the 102nd General~~
7 ~~Assembly~~.

8 (Source: P.A. 102-528, eff. 1-1-22; 102-813, eff. 5-13-22;
9 102-1003, eff. 5-27-22; revised 9-1-22.)

10 (35 ILCS 200/22-35)

11 Sec. 22-35. Reimbursement of a county or municipality
12 before issuance of tax deed. Except in any proceeding in which
13 the tax purchaser is a county acting as a trustee for taxing
14 districts as provided in Section 21-90, an order for the
15 issuance of a tax deed under this Code shall not be entered
16 affecting the title to or interest in any property in which a
17 county, city, village or incorporated town has an interest
18 under the police and welfare power by advancements made from
19 public funds, until the purchaser or assignee makes
20 reimbursement to the county, city, village or incorporated
21 town of the money so advanced or the county, city, village, or
22 town waives its lien on the property for the money so advanced.
23 However, in lieu of reimbursement or waiver, the purchaser or
24 his or her assignee may make application for and the court
25 shall order that the tax purchase be set aside as a sale in

1 error, except in cases where the tax purchaser holds a lien
2 that shall remain on the property until paid with 5% interest
3 per year as provided in Section 21-240. A sale in error may not
4 be granted under this Section if the lien has been released,
5 satisfied, discharged, or waived. A filing or appearance fee
6 shall not be required of a county, city, village or
7 incorporated town seeking to enforce its claim under this
8 Section in a tax deed proceeding.

9 (Source: P.A. 101-379, eff. 1-1-20.)

10 (35 ILCS 200/22-50)

11 Sec. 22-50. Denial of deed. If the court refuses to enter
12 an order directing the county clerk to execute and deliver the
13 tax deed, because of the failure of the purchaser to fulfill
14 any of the above provisions, and if the purchaser, or his or
15 her assignee has made a bona fide attempt to comply with the
16 statutory requirements for the issuance of the tax deed, then
17 upon application of the owner of the certificate of purchase
18 the court shall declare the sale to be a sale in error, unless
19 the purchaser failed to comply with any of the above
20 provisions for obtaining a tax deed because the purchaser made
21 a reasonably avoidable error.

22 (Source: P.A. 92-224, eff. 1-1-02.)