



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0666

Introduced 1/28/2005, by Rep. Calvin L. Giles

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-250
35 ILCS 200/21-251
35 ILCS 200/21-253 new
35 ILCS 200/21-260

Amends the Property Tax Code. Provides that certificates of purchase from a scavenger sale in counties of 3,000,000 or more inhabitants must be registered. Increases the automation fee for assignments of certificates of purchase in counties with 3,000,000 or more inhabitants from \$10 to \$50. Sets forth procedures for the assignment or transfer of scavenger sale certificates of purchase. Increases the minimum bid at a sale to \$500 (now, \$250) or one-half of the tax if the total liability is less than \$1,000 (now, \$500). Provides that the changes made by this amendatory Act apply only to certificates of purchase that are purchased after the effective date of this amendatory Act. Effective immediately.

LRB094 03419 BDD 33421 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 21-250, 21-251, and 21-260 and by adding Section
6 21-253 as follows:

7 (35 ILCS 200/21-250)

8 Sec. 21-250. Certificate of purchase. The county clerk
9 shall make out and deliver to the purchaser of any property
10 sold under Section 21-205, a certificate of purchase
11 countersigned by the collector, describing the property sold,
12 the date of sale, the amount of taxes, special assessments,
13 interest and cost for which they were sold and that payment of
14 the sale price has been made. If any person becomes the
15 purchaser of more than one property owned by one party or
16 person, the purchaser may have the whole or one or more of them
17 included in one certificate, but separate certificates shall be
18 issued in all other cases. A certificate of purchase shall be
19 assignable by endorsement, provided that any assignment of a
20 certificate of purchase from a scavenger sale must be made in
21 accordance with Sections 21-251 and 21-253. An assignment shall
22 vest in the assignee or his or her legal representatives, all
23 the right and title of the original purchaser. The changes made
24 by this amendatory Act of the 94th General Assembly apply only
25 to certificates originally purchased after the effective date
26 of this amendatory Act of the 94th General Assembly.

27 If the tax certificate is lost or destroyed, the county
28 clerk shall issue a duplicate certificate upon written request
29 and a sworn affidavit by the tax sale purchaser, or his or her
30 assignee, that the tax certificate is lost or destroyed. The
31 county clerk shall cause a notation to be made in the tax sale
32 and judgment book that a duplicate certificate has been issued,

1 and redemption payments shall be made only to the holder of the
2 duplicate certificate.

3 (Source: P.A. 88-455; 89-617, eff. 9-1-96.)

4 (35 ILCS 200/21-251)

5 Sec. 21-251. Registry of owners of certificates of
6 purchase.

7 (a) The county clerk of each county shall create and
8 maintain a registry system that permanently records the names,
9 addresses, and telephone numbers of owners or assignees of
10 certificates of purchase issued pursuant to any tax sale
11 conducted under this Code. The registry may consist of a single
12 record or a combination of records maintained in paper or
13 electronic form and may include copies of records kept by the
14 county treasurer for other purposes, all to be used as the
15 county clerk deems appropriate to carry out the purposes of
16 this Section. The information in the registry shall be made
17 available to the public.

18 (b) The county clerk of each county is authorized to
19 promulgate reasonable rules, procedures, and forms for
20 purposes of creating and maintaining the registry and for
21 access to the registry information by members of the public. In
22 counties with 3,000,000 or more inhabitants, any owner of a
23 certificate of purchase pursuant to assignment may elect
24 whether to register that assignment as provided in this
25 Section, but all owners of certificates of purchase shall be
26 subject to the provisions of subsection (d) of this Section.
27 The registration of assignments of certificates of purchase
28 from a scavenger sale in counties of 3,000,000 or more
29 inhabitants is mandatory, and any attempted assignment without
30 registration as provided in this Section is null and void. In
31 counties with less than 3,000,000 inhabitants, the county clerk
32 shall provide by rule whether registration of assignments of
33 certificates of purchase shall be elective or mandatory.

34 (c) The owner of a certificate of purchase pursuant to
35 assignment, in order to register that assignment, shall submit

1 to the county clerk the owner's name, address, and telephone
2 number in accordance with any rules, procedures, and forms
3 promulgated by the clerk. Any registered owner of a certificate
4 of purchase may update the registration at any time without
5 charge by submitting to the county clerk any lawful change of
6 name, address, or telephone number.

7 (d) If notice is required to be given to the owner of the
8 certificate of purchase in any proceeding, whether judicial or
9 administrative, affecting a tax sale conducted under any
10 provision of this Code, the notice may be directed to the most
11 recent owner of the certificate of purchase appearing in the
12 county clerk's registry under this Section. Any notice that has
13 been directed as provided in this Section shall be conclusively
14 presumed to be properly directed to the owner of the
15 certificate of purchase for all purposes related to the
16 proceeding in which the notice is given. No objection or
17 assertion by any assignee of a certificate of purchase in any
18 proceeding shall be heard on grounds that a notice to the tax
19 purchaser was misdirected, unless that assignee's current and
20 lawful name, address, and telephone number were submitted to
21 the county clerk's registry at the time of the notice in
22 question.

23 (e) The county clerk may assess an automation fee of no
24 more than \$50 in counties of 3,000,000 or more inhabitants and
25 no more than \$10 in all other counties to be paid by the owner
26 of the certificate of purchase for each assignment of the
27 certificate that is registered under this Section, unless the
28 owner of the certificate is a governmental unit. The fee shall
29 be collected in the same manner as other fees and costs and
30 shall be held by the county clerk in a fund for purposes of
31 automating his or her office. The fee provided for under this
32 Section shall not be chargeable to the cost of redemption under
33 Section 21-355 nor shall it be posted under Section 21-360 of
34 this Code.

35 (f) The changes made by this amendatory Act of the 94th
36 General Assembly apply only to certificates originally

1 purchased after the effective date of this amendatory Act of
2 the 94th General Assembly.

3 (Source: P.A. 92-729, eff. 7-25-02.)

4 (35 ILCS 200/21-253 new)

5 Sec. 21-253. Assignment or transfer of scavenger sale
6 certificates of purchase.

7 (a) No owner of a certificate of purchase from a scavenger
8 sale may assign, convey, or otherwise transfer an ownership or
9 other interest in the certificate to any other person except as
10 provided in this Section, unless the assignment, conveyance, or
11 transfer is made:

12 (1) by or to a governmental unit;

13 (2) to secure a debt or other obligation or to release
14 the certificate from securing a debt or other obligation;

15 (3) pursuant to a merger, consolidation, or transfer or
16 sale of substantially all of the assets of a corporation
17 under plans of reorganization under the federal Internal
18 Revenue Code of 1986 or the federal Bankruptcy Code;

19 (4) by a subsidiary corporation to its parent
20 corporation for no consideration other than the
21 cancellation or surrender of the subsidiary's stock; or

22 (5) in connection with the procedures provided by law
23 for redemption or obtaining a tax deed.

24 (b) If the successful bid at the scavenger sale was less
25 than the full amount of the delinquent tax principal included
26 within the judgement and order of sale, then (except as
27 otherwise provided in subsection (a) of this Section and unless
28 the certificate is for an owner-occupied single family
29 residential unit that is a condominium unit, cooperative unit,
30 or dwelling) the certificate of purchase may be assigned only
31 as provided as follows:

32 (1) The owner of the certificate of purchase shall
33 present the original certificate to the county clerk prior
34 to any assignment and shall request a statement of the
35 difference between the successful bid at the scavenger sale

1 and the full amount of the delinquent tax principal
2 included within the judgement and order of sale. The owner
3 of the certificate shall pay the difference to the county
4 collector pursuant to the county clerk's statement, and the
5 collector shall issue a receipt for the payment. The
6 collector shall apportion the payment among the taxing
7 districts in which the property is situated in accordance
8 with law.

9 (2) Upon presentation of the original certificate of
10 purchase and the collector's receipt for the payment under
11 this subsection, the county clerk shall note on the
12 certificate the extent to which the amount of the sale has
13 been increased. The county clerk and the county collector
14 shall also mark their scavenger sale records accordingly.
15 Thereafter, the certificate may be assigned and the
16 assignment registered, as provided in Sections 21-250 and
17 21-251, subject to compliance with subsection (d) of this
18 Section, provided that the registration of the assignment
19 is requested before the date that is 5 months prior to the
20 expiration of the period of redemption or extended period
21 of redemption from the sale.

22 (c) If the successful bid at the scavenger sale was equal
23 to or more than the full amount of the delinquent tax principal
24 included within the judgement and order of sale or if the
25 certificate is for an owner-occupied single family residential
26 unit that is a condominium unit, cooperative unit, or dwelling,
27 then, except as otherwise provided in subsection (a) of this
28 Section, the certificate of purchase may be assigned and the
29 assignment registered, as provided in Sections 21-250 and
30 21-251, subject to compliance with subsection (d) of this
31 Section, provided that the registration of the assignment is
32 requested before the date that is 5 months prior to the
33 expiration of the period of redemption or extended period of
34 redemption from the sale.

35 (d) Any person (except a governmental unit) seeking to
36 acquire an interest in a scavenger sale certificate of purchase

1 under this Section is subject to the provisions of Sections
2 21-265, 21-275, 21-280, 21-285, and 21-290. No assignment shall
3 be completed or registered unless the person who will be the
4 owner of the certificate pursuant to the assignment has first
5 executed and delivered to the county clerk a true and complete
6 application for certificate of purchase in the form provided in
7 Section 21-275.

8 (e) The county clerk may adopt reasonable rules,
9 procedures, and forms for purposes of this Section. Nothing in
10 this Section shall be construed to affect the rights and duties
11 of persons redeeming from a scavenger sale, except that (i) the
12 amount of the additional tax principal paid to the county
13 collector to authorize an assignment of a certificate of
14 purchase under subsection (b) is subject to the posting
15 requirements under Section 21-360 and (ii) the cost of
16 redemption under Section 21-355 includes the tax principal so
17 paid and posted together with a 12% penalty on any year, or
18 portion thereof, intervening between the date of payment to the
19 county collector and the date of redemption.

20 (f) This Section applies only to certificates originally
21 purchased after the effective date of this amendatory Act of
22 the 94th General Assembly.

23 (35 ILCS 200/21-260)

24 Sec. 21-260. Collector's scavenger sale. Upon the county
25 collector's application under Section 21-145, to be known as
26 the Scavenger Sale Application, the Court shall enter judgment
27 for the general taxes, special taxes, special assessments,
28 interest, penalties and costs as are included in the
29 advertisement and appear to be due thereon after allowing an
30 opportunity to object and a hearing upon the objections as
31 provided in Section 21-175, and order those properties sold by
32 the County Collector at public sale to the highest bidder for
33 cash, notwithstanding the bid may be less than the full amount
34 of taxes, special taxes, special assessments, interest,
35 penalties and costs for which judgment has been entered.

1 (a) Conducting the sale - Bidding. All properties shall be
2 offered for sale in consecutive order as they appear in the
3 delinquent list. The minimum bid for any property shall be \$500
4 ~~\$250~~ or one-half of the tax if the total liability is less than
5 \$1,000 ~~\$500~~. The successful bidder shall immediately pay the
6 amount of minimum bid to the County Collector in cash, by
7 certified or cashier's check, by money order, or, if the
8 successful bidder is a governmental unit, by a check issued by
9 that governmental unit. If the bid exceeds the minimum bid, the
10 successful bidder shall pay the balance of the bid to the
11 county collector in cash, by certified or cashier's check, by
12 money order, or, if the successful bidder is a governmental
13 unit, by a check issued by that governmental unit by the close
14 of the next business day. If the minimum bid is not paid at the
15 time of sale or if the balance is not paid by the close of the
16 next business day, then the sale is void and the minimum bid,
17 if paid, is forfeited to the county general fund. In that
18 event, the property shall be reoffered for sale within 30 days
19 of the last offering of property in regular order. The
20 collector shall make available to the public a list of all
21 properties to be included in any reoffering due to the voiding
22 of the original sale. The collector is not required to serve or
23 publish any other notice of the reoffering of those properties.
24 In the event that any of the properties are not sold upon
25 reoffering, or are sold for less than the amount of the
26 original voided sale, the original bidder who failed to pay the
27 bid amount shall remain liable for the unpaid balance of the
28 bid in an action under Section 21-240. Liability shall not be
29 reduced where the bidder upon reoffering also fails to pay the
30 bid amount, and in that event both bidders shall remain liable
31 for the unpaid balance of their respective bids. A sale of
32 properties under this Section shall not be final until
33 confirmed by the court.

34 (b) Confirmation of sales. The county collector shall file
35 his or her report of sale in the court within 30 days of the
36 date of sale of each property. No notice of the county

1 collector's application to confirm the sales shall be required
2 except as prescribed by rule of the court. Upon confirmation,
3 except in cases where the sale becomes void under Section
4 22-85, or in cases where the order of confirmation is vacated
5 by the court, a sale under this Section shall extinguish the in
6 rem lien of the general taxes, special taxes and special
7 assessments for which judgment has been entered and a
8 redemption shall not revive the lien. Confirmation of the sale
9 shall in no event affect the owner's personal liability to pay
10 the taxes, interest and penalties as provided in this Code or
11 prevent institution of a proceeding under Section 21-440 to
12 collect any amount that may remain due after the sale.

13 (c) Issuance of tax sale certificates. Upon confirmation of
14 the sale the County Clerk and the County Collector shall issue
15 to the purchaser a certificate of purchase in the form
16 prescribed by Section 21-250 as near as may be. A certificate
17 of purchase shall not be issued to any person who is ineligible
18 to bid at the sale or to receive a certificate of purchase
19 under Section 21-265. The certificate of purchase and the
20 interest of the purchaser that it represents are subject to
21 Sections 21-251 and 21-253.

22 (d) Scavenger Tax Judgment, Sale and Redemption Record -
23 Sale of parcels not sold. The county collector shall prepare a
24 Scavenger Tax Judgment, Sale and Redemption Record. The county
25 clerk shall write or stamp on the scavenger tax judgment, sale,
26 forfeiture and redemption record opposite the description of
27 any property offered for sale and not sold, or not confirmed
28 for any reason, the words "offered but not sold". The
29 properties which are offered for sale under this Section and
30 not sold or not confirmed shall be offered for sale annually
31 thereafter in the manner provided in this Section until sold,
32 except in the case of mineral rights, which after 10
33 consecutive years of being offered for sale under this Section
34 and not sold or confirmed shall no longer be required to be
35 offered for sale. At any time between annual sales the County
36 Collector may advertise for sale any properties subject to sale

1 under judgments for sale previously entered under this Section
2 and not executed for any reason. The advertisement and sale
3 shall be regulated by the provisions of this Code as far as
4 applicable.

5 (e) Proceeding to tax deed. The owner of the certificate of
6 purchase shall give notice as required by Sections 22-5 through
7 22-30, and may extend the period of redemption as provided by
8 Section 21-385. At any time within 5 months prior to expiration
9 of the period of redemption from a sale under this Code, the
10 owner of a certificate of purchase may file a petition and may
11 obtain a tax deed under Sections 22-30 through 22-55. All
12 proceedings for the issuance of a tax deed and all tax deeds
13 for properties sold under this Section shall be subject to
14 Sections 22-30 through 22-55. Deeds issued under this Section
15 are subject to Section 22-70. This Section shall be liberally
16 construed so that the deeds provided for in this Section convey
17 merchantable title.

18 (f) Redemptions from scavenger sales. Redemptions may be
19 made from sales under this Section in the same manner and upon
20 the same terms and conditions as redemptions from sales made
21 under the County Collector's annual application for judgment
22 and order of sale, except that in lieu of penalty the person
23 redeeming shall pay interest as follows if the sale occurs
24 before September 9, 1993:

25 (1) If redeemed within the first 2 months from the date
26 of the sale, 3% per month or portion thereof upon the
27 amount for which the property was sold;

28 (2) If redeemed between 2 and 6 months from the date of
29 the sale, 12% of the amount for which the property was
30 sold;

31 (3) If redeemed between 6 and 12 months from the date
32 of the sale, 24% of the amount for which the property was
33 sold;

34 (4) If redeemed between 12 and 18 months from the date
35 of the sale, 36% of the amount for which the property was
36 sold;

1 (5) If redeemed between 18 and 24 months from the date
2 of the sale, 48% of the amount for which the property was
3 sold;

4 (6) If redeemed after 24 months from the date of sale,
5 the 48% herein provided together with interest at 6% per
6 year thereafter.

7 If the sale occurs on or after September 9, 1993, the
8 person redeeming shall pay interest on that part of the amount
9 for which the property was sold equal to or less than the full
10 amount of delinquent taxes, special assessments, penalties,
11 interest, and costs, included in the judgment and order of sale
12 as follows:

13 (1) If redeemed within the first 2 months from the date
14 of the sale, 3% per month upon the amount of taxes, special
15 assessments, penalties, interest, and costs due for each of
16 the first 2 months, or fraction thereof.

17 (2) If redeemed at any time between 2 and 6 months from
18 the date of the sale, 12% of the amount of taxes, special
19 assessments, penalties, interest, and costs due.

20 (3) If redeemed at any time between 6 and 12 months
21 from the date of the sale, 24% of the amount of taxes,
22 special assessments, penalties, interest, and costs due.

23 (4) If redeemed at any time between 12 and 18 months
24 from the date of the sale, 36% of the amount of taxes,
25 special assessments, penalties, interest, and costs due.

26 (5) If redeemed at any time between 18 and 24 months
27 from the date of the sale, 48% of the amount of taxes,
28 special assessments, penalties, interest, and costs due.

29 (6) If redeemed after 24 months from the date of sale,
30 the 48% provided for the 24 months together with interest
31 at 6% per annum thereafter on the amount of taxes, special
32 assessments, penalties, interest, and costs due.

33 The person redeeming shall not be required to pay any
34 interest on any part of the amount for which the property was
35 sold that exceeds the full amount of delinquent taxes, special
36 assessments, penalties, interest, and costs included in the

1 judgment and order of sale.

2 Notwithstanding any other provision of this Section,
3 except for owner-occupied single family residential units
4 which are condominium units, cooperative units or dwellings,
5 the amount required to be paid for redemption shall also
6 include an amount equal to all delinquent taxes on the property
7 which taxes were delinquent at the time of sale. The delinquent
8 taxes shall be apportioned by the county collector among the
9 taxing districts in which the property is situated in
10 accordance with law. In the event that all moneys received from
11 any sale held under this Section exceed an amount equal to all
12 delinquent taxes on the property sold, which taxes were
13 delinquent at the time of sale, together with all publication
14 and other costs associated with the sale, then, upon
15 redemption, the County Collector and the County Clerk shall
16 apply the excess amount to the cost of redemption.

17 (g) Bidding by county or other taxing districts. Any taxing
18 district may bid at a scavenger sale. The county board of the
19 county in which properties offered for sale under this Section
20 are located may bid as trustee for all taxing districts having
21 an interest in the taxes for the nonpayment of which the
22 parcels are offered. The County shall apply on the bid the
23 unpaid taxes due upon the property and no cash need be paid.
24 The County or other taxing district acquiring a tax sale
25 certificate shall take all steps necessary to acquire title to
26 the property and may manage and operate the property so
27 acquired.

28 When a county, or other taxing district within the county,
29 is a petitioner for a tax deed, no filing fee shall be required
30 on the petition. The county as a tax creditor and as trustee
31 for other tax creditors, or other taxing district within the
32 county shall not be required to allege and prove that all taxes
33 and special assessments which become due and payable after the
34 sale to the county have been paid. The county shall not be
35 required to pay the subsequently accruing taxes or special
36 assessments at any time. Upon the written request of the county

1 board or its designee, the county collector shall not offer the
2 property for sale at any tax sale subsequent to the sale of the
3 property to the county under this Section. The lien of taxes
4 and special assessments which become due and payable after a
5 sale to a county shall merge in the fee title of the county, or
6 other taxing district, on the issuance of a deed. The County
7 may sell the properties so acquired, or the certificate of
8 purchase thereto, and the proceeds of the sale shall be
9 distributed to the taxing districts in proportion to their
10 respective interests therein. The presiding officer of the
11 county board, with the advice and consent of the County Board,
12 may appoint some officer or person to attend scavenger sales
13 and bid on its behalf.

14 (h) Miscellaneous provisions. In the event that the tract
15 of land or lot sold at any such sale is not redeemed within the
16 time permitted by law and a tax deed is issued, all moneys that
17 may be received from the sale of properties in excess of the
18 delinquent taxes, together with all publication and other costs
19 associated with the sale, shall, upon petition of any
20 interested party to the court that issued the tax deed, be
21 distributed by the County Collector pursuant to order of the
22 court among the persons having legal or equitable interests in
23 the property according to the fair value of their interests in
24 the tract or lot. Section 21-415 does not apply to properties
25 sold under this Section. Appeals may be taken from the orders
26 and judgments entered under this Section as in other civil
27 cases. The remedy herein provided is in addition to other
28 remedies for the collection of delinquent taxes.

29 (Source: P.A. 90-514, eff. 8-22-97; 90-655, eff. 7-30-98;
30 91-189, eff. 1-1-00.)

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.