



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB0158

by Rep. Jack D. Franks

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-295
35 ILCS 200/21-300
35 ILCS 200/21-308 new

Amends the Property Tax Code. Authorizes counties to establish and operate a homestead protection program under which the county treasurer may make payments from the indemnity fund to pay the delinquent taxes, along with all associated fees and interest, on the primary residence of eligible taxpayers. Provides that the county treasurer shall have a lien on the property in the amount of the assistance provided. Sets forth requirements for the program. Effective immediately.

LRB099 04174 HLH 24195 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 21-295 and 21-300 and by adding Section 21-308 as
6 follows:

7 (35 ILCS 200/21-295)

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

9 (a) In counties of less than 3,000,000 inhabitants, each
10 person purchasing any property at a sale under this Code shall
11 pay to the County Collector, prior to the issuance of any
12 certificate of purchase, a fee of \$20 for each item purchased.
13 A like sum shall be paid for each year that all or a portion of
14 subsequent taxes are paid by the tax purchaser and posted to
15 the tax judgment, sale, redemption and forfeiture record where
16 the underlying certificate of purchase is recorded.

17 (a-5) In counties of 3,000,000 or more inhabitants, each
18 person purchasing property at a sale under this Code shall pay
19 to the County Collector a fee of \$80 for each item purchased
20 plus an additional sum equal to 5% of taxes, interest, and
21 penalties paid by the purchaser, including the taxes, interest,
22 and penalties paid under Section 21-240. In these counties, the
23 certificate holder shall also pay to the County Collector a fee

1 of \$80 for each year that all or a portion of subsequent taxes
2 are paid by the tax purchaser and posted to the tax judgment,
3 sale, redemption, and forfeiture record, plus an additional sum
4 equal to 5% of all subsequent taxes, interest, and penalties.
5 The additional 5% fees are not required after December 31,
6 2006. The changes to this subsection made by this amendatory
7 Act of the 91st General Assembly are not a new enactment, but
8 declaratory of existing law.

9 (b) The amount paid prior to issuance of the certificate of
10 purchase pursuant to subsection (a) or (a-5) shall be included
11 in the purchase price of the property in the certificate of
12 purchase and all amounts paid under this Section shall be
13 included in the amount required to redeem under Section 21-355.
14 Except as otherwise provided in subsection (b) of Section
15 21-300, all money received under subsection (a) or (a-5) shall
16 be paid by the Collector to the County Treasurer of the County
17 in which the land is situated, for the purpose of an indemnity
18 fund. The County Treasurer, as trustee of that fund, shall
19 invest all of that fund, principal and income, in his or her
20 hands from time to time, if not immediately required for
21 payments of indemnities under subsection (a) of Section 21-305
22 or payments made pursuant to a homestead protection program
23 established under Section 21-308, in investments permitted by
24 the Illinois State Board of Investment under Article 22A of the
25 Illinois Pension Code. The county collector shall report
26 annually to the county clerk on the condition and income of the

1 fund. The indemnity fund shall be held to satisfy judgments
2 obtained against the County Treasurer, as trustee of the fund
3 and may be used to operate a homestead protection program under
4 Section 21-308. No payment shall be made from the fund, except
5 upon a judgment of the court which ordered the issuance of a
6 tax deed or under a homestead protection program under Section
7 21-308.

8 (Source: P.A. 94-412, eff. 8-2-05.)

9 (35 ILCS 200/21-300)

10 Sec. 21-300. Amount to be retained in indemnity fund.

11 (a) The county board in each county shall determine the
12 amount of the fund to be maintained in that county, which
13 amount shall not be less than 0.03% of the total assessed
14 valuation, as equalized by the Department, of property within
15 the County, or \$50,000, whichever is greater, and shall not be
16 greater than \$1,000,000 in counties with less than 3,000,000
17 inhabitants that do not operate a homestead protection program
18 under Section 21-308, and not greater than \$2,000,000 in
19 counties with 3,000,000 or more inhabitants that do not operate
20 a homestead protection program under Section 21-308. Any moneys
21 accumulated by the County Treasurer in excess of the amount so
22 established, as trustee of the fund, shall be paid by him or
23 her annually to the general fund of the County.

24 (b) In counties in which a Tort Liability Fund is
25 established, all sums of money received under subsection (a) of

1 Section 21-295 may be deposited in the general fund of the
2 county for general county governmental purposes, if the county
3 board provides by ordinance that the indemnity required by this
4 Section shall be provided by the Tort Liability Fund.

5 (Source: P.A. 86-1028; 86-1431; 88-455.)

6 (35 ILCS 200/21-308 new)

7 Sec. 21-308. County homestead protection program.

8 (a) Each county may establish and operate a homestead
9 protection program under which the county treasurer may make
10 payments from the indemnity fund to pay the delinquent taxes,
11 along with all associated fees and interest, on the primary
12 residence of eligible taxpayers.

13 (b) To be eligible to receive assistance under a county
14 homestead protection program, a taxpayer must satisfy all of
15 the following criteria:

16 (1) the taxpayer's primary residence is located within
17 the county operating the homestead protection program;

18 (2) but for the failure to submit an application or
19 certification, for the taxpayer's primary residence and in
20 the taxable year for which the taxes are delinquent, the
21 taxpayer would have been eligible to receive:

22 (A) an exemption under Section 15-165, 15-168,
23 15-169, 15-170, or 15-172 of this Act;

24 (B) a deferral or exemption under the Longtime
25 Owner-Occupant Property Tax Relief Act;

1 (C) property tax assistance under the Senior
2 Citizens and Disabled Persons Property Tax Relief Act;

3 or

4 (D) a deferral under the Senior Citizens Real
5 Estate Tax Deferral Act; and

6 (3) the taxpayer has not received assistance under the
7 homestead protection program on a previous occasion.

8 (c) If a taxpayer receives assistance under a county
9 homestead protection program, then the county treasurer of the
10 county in which the primary residence is located has a lien on
11 the residence for the amount of the assistance. The treasurer
12 must notify the taxpayer, in writing, of the existence of the
13 lien. Such liens have the same force, effect, and priority as a
14 judgment lien and continue from the date of the recording until
15 the lien is released or otherwise discharged. The county
16 treasurer may, at any time, release all or any portion of the
17 property subject to a lien under this Section or subordinate
18 the lien to other liens if he or she determines that the
19 release or subordination of the lien will not endanger or
20 jeopardize the collection of the amount of assistance.

21 (d) In no event may the operation of a homestead protection
22 program reduce the amount of the indemnity fund that is
23 available to make payments under Section 21-305 to less than
24 0.03% of the total assessed valuation, as equalized by the
25 Department, of property within the county, or \$50,000,
26 whichever is greater.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.