

1 AN ACT concerning taxes.

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, 21-315, 21-320, 21-330, 21-335, and 22-50 as  
6 follows:

7 (35 ILCS 200/21-310)

8 Sec. 21-310. Sales in error.

9 (a) When, upon application of the county collector, the  
10 owner of the certificate of purchase, or a municipality which  
11 owns or has owned the property ordered sold, it appears to  
12 the satisfaction of the court which ordered the property sold  
13 that any of the following subsections are applicable, the  
14 court shall declare the sale to be a sale in error:

15 (1) the property was not subject to taxation, or  
16 all or any part of the lien of taxes sold has become null  
17 and void pursuant to Section 21-95,

18 (2) the taxes or special assessments had been paid  
19 prior to the sale of the property,

20 (3) there is a double assessment,

21 (4) the description is void for uncertainty,

22 (5) the assessor, chief county assessment officer,  
23 board of review, board of appeals, or other county  
24 official has made an error (other than an error of  
25 judgment as to the value of any property),

26 (5.5) the owner of the homestead property had  
27 tendered timely and full payment to the county collector  
28 that the owner reasonably believed was due and owing on  
29 the homestead property, and the county collector did not  
30 apply the payment to the homestead property; provided  
31 that this provision applies only to homeowners, not their

1 agents or third-party payors,

2 (6) prior to the tax sale a voluntary or  
3 involuntary petition has been filed by or against the  
4 legal or beneficial owner of the property requesting  
5 relief under the provisions of 11 U.S.C. Chapter 7, 11,  
6 12, or 13, or

7 (7) the property is owned by the State of Illinois,  
8 a municipality, or a taxing district. ~~a municipality--has~~  
9 ~~acquired--the--property--(i)--through--the--foreclosure--of--a~~  
10 ~~lien--authorized--under--Section--11-31-1--of--the--Illinois~~  
11 ~~Municipal--Code--or--through--a--judicial--deed--issued--under~~  
12 ~~that--Section--or---(ii)---through---foreclosure---of---a~~  
13 ~~receivership--certificate--lien.~~

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

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

23 (2) The improvements upon the property sold have  
24 been substantially destroyed or rendered uninhabitable or  
25 otherwise unfit for occupancy subsequent to the tax sale  
26 and prior to the issuance of the tax deed.

27 (3) There is an interest held by the United States  
28 in the property sold which could not be extinguished by  
29 the tax deed.

30 (4) The real property contains a hazardous  
31 substance, hazardous waste, or underground storage tank  
32 that would require cleanup or other removal under any  
33 federal, State, or local law, ordinance, or regulation,  
34 only if the tax purchaser purchased the property without

1 actual knowledge of the hazardous substance, hazardous  
 2 waste, or underground storage tank. This paragraph (4)  
 3 applies only to tax purchases occurring after January 1,  
 4 1990 and if the owner of the certificate of purchase has  
 5 made application for a sale in error at any time before  
 6 the issuance of a tax deed.

7 If a sale is declared to be a sale in error, the county  
 8 clerk shall make entry in the tax judgment, sale, redemption  
 9 and forfeiture record, that the property was erroneously  
 10 sold, and the county collector shall, on demand of the owner  
 11 of the certificate of purchase, refund the amount paid, pay  
 12 any interest and costs as may be ordered under Sections  
 13 21-315 through 21-335, and cancel the certificate so far as  
 14 it relates to the property. The county collector shall deduct  
 15 from the accounts of the appropriate taxing bodies their pro  
 16 rata amounts paid.

17 (Source: P.A. 91-177, eff. 1-1-00; 91-357, eff. 7-29-99;  
 18 91-924, eff. 1-1-01.)

19 (35 ILCS 200/21-315)

20 Sec. 21-315. Interest on refund.

21 (a) In those cases which arise solely under grounds set  
 22 forth in Section 21-310, ~~or~~ 22-35, or 22-50, and in no other  
 23 cases, the court which orders a sale in error shall also  
 24 award interest on the refund of the amount paid for the  
 25 certificate of purchase, together with all costs paid by the  
 26 owner of the certificate of purchase or his or her assignor  
 27 which were posted to the tax judgment, sale, redemption and  
 28 forfeiture record, except as otherwise provided in this  
 29 Section. Except as otherwise provided in this Section,  
 30 interest shall be awarded and paid at the rate of 1% per  
 31 month from the date of sale to the date of payment to the tax  
 32 purchaser, or in an amount equivalent to the penalty interest  
 33 which would be recovered on a redemption at the time of

1 payment pursuant to the order for sale in error, whichever is  
2 less.

3 (b) Interest on the refund to the owner of the  
4 certificate of purchase shall not be paid (i) ~~in any case in~~  
5 ~~which the improvements upon the property sold have been~~  
6 ~~substantially destroyed or rendered uninhabitable or~~  
7 ~~otherwise unfit for occupancy,~~ (ii) when the sale in error is  
8 made pursuant to Section 21-310(b)(2), 21-310(b)(4), 22-35, or  
9 22-50, or (ii) (iii) ~~in any case, after January 1, 1990, in~~  
10 ~~which the real estate contains a hazardous substance,~~  
11 ~~hazardous waste, or underground storage tank that would~~  
12 ~~require a cleanup or other removal under any federal, State,~~  
13 ~~or local law, ordinance or regulation, only if the tax~~  
14 ~~purchaser purchased the property without actual knowledge of~~  
15 ~~the hazardous substance, hazardous waste or underground~~  
16 ~~storage tank, or (iv) in any other case where the court~~  
17 determines that the tax purchaser had actual knowledge prior  
18 to the sale of the grounds on which the sale is declared to  
19 be erroneous.

20 (c) When the county collector files a petition for sale  
21 in error under Section 21-310 and mails a notice thereof by  
22 certified or registered mail to the tax purchaser, any  
23 interest otherwise payable under this Section shall cease to  
24 accrue as of the date the petition is filed, unless the tax  
25 purchaser agrees to an order for sale in error upon the  
26 presentation of the petition to the court. Notices under  
27 this subsection may be mailed to the original owner of the  
28 certificate of purchase, or to the latest assignee, if known.  
29 When the owner of the certificate of purchase contests the  
30 collector's petition solely to determine whether the grounds  
31 for sale in error are such as to support a claim for  
32 interest, the court may direct that the principal amount of  
33 the refund be paid to the owner of the certificate of  
34 purchase forthwith. If the court thereafter determines that a

1 claim for interest lies under this Section, it shall award  
2 such interest from the date of sale to the date the principal  
3 amount was paid.

4 (Source: P.A. 89-69, eff. 6-30-95; 90-655, eff. 7-30-98.)

5 (35 ILCS 200/21-320)

6 Sec. 21-320. Refund of other taxes paid by holder of  
7 certificate of purchase. The court which orders a sale in  
8 error shall order the refund of all other taxes paid or  
9 redeemed by the owner of the certificate of purchase or his  
10 or her assignor ~~which--were--validly--posted--to--the--tax~~  
11 ~~judgment,-sale-redemption-and-forfeiture-record~~ subsequent to  
12 the tax sale, together with interest on those the other taxes  
13 under the same terms as interest is otherwise payable under  
14 Section 21-315. The interest under this subsection shall be  
15 calculated at the rate of 1% per month from the date the  
16 other taxes were paid and not from the date of sale. The  
17 collector shall take credit in settlement of his or her  
18 accounts for the refund of the other taxes as in other cases  
19 of sale in error under Section 21-310.

20 (Source: P.A. 86-286; 86-415; 87-669; 88-455.)

21 (35 ILCS 200/21-330)

22 Sec. 21-330. Fund for payment of interest. In counties  
23 of under 3,000,000 inhabitants, the county board may impose a  
24 fee of up to \$60, which shall be paid to the county  
25 collector, upon each person purchasing any property at a sale  
26 held under this Code, prior to the issuance of any  
27 certificate of purchase. Each person purchasing any property  
28 at a sale held under this Code in a county with 3,000,000 or  
29 more inhabitants shall pay to the county collector, prior to  
30 the issuance of any certificate of purchase, a fee of \$100  
31 for each item purchased. That amount shall be included in  
32 the price paid for the certificate of purchase and the amount

1 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  
4 in which the property is situated for deposit into a special  
5 fund. It shall be the duty of the county treasurer, as  
6 trustee of the fund, to invest the principal and income of  
7 the fund from time to time, if not immediately required for  
8 payments under this Section, in investments as are authorized  
9 by Sections 3-10009 and 3-11002 of the Counties Code. The  
10 fund shall be held to satisfy orders for payment of interest  
11 and costs obtained against the county treasurer as trustee of  
12 the fund. No payment shall be made from the fund except by  
13 order of the court declaring a sale in error under Section  
14 21-310, 22-35, or 22-50. Any moneys accumulated in the fund  
15 by the county treasurer in excess of \$500,000 shall be paid  
16 each year prior to the commencement of the annual tax sale,  
17 first to satisfy any existing unpaid judgments entered  
18 pursuant to Section 21-295, and any funds remaining  
19 thereafter shall be paid to the general fund of the county.  
20 (Source: P.A. 88-455; 88-676, eff. 12-14-94; 89-342, eff.  
21 1-1-96.)

22 (35 ILCS 200/21-335)

23 Sec. 21-335. Claims for interest and costs. Any person  
24 claiming interest or costs under Sections 21-315 through  
25 21-330 shall include the claim in his or her petition for  
26 sale in error under Section 21-310, 22-35, or 22-50. Any  
27 claim for interest or costs which is not included in the  
28 petition is waived, except interest or costs may be awarded  
29 to the extent permitted by this Section upon a sale in error  
30 petition filed by the county collector, without requiring a  
31 separate filing by the claimant. Any order for interest or  
32 costs upon the petition for sale in error shall be deemed to  
33 be entered against the county treasurer as trustee of the

1 fund created by this Section. The fund shall be the sole  
2 source for payment and satisfaction of orders for interest  
3 or costs, except as otherwise provided in this subsection.  
4 If the court determines that the fund has been depleted and  
5 will not be restored in time to pay an award with reasonable  
6 promptness, the court may authorize the collector to pay the  
7 interest portion of the award pro rata from those accounts  
8 where the principal refund of the tax sale purchase price  
9 under Section 21-310 is taken.

10 (Source: P.A. 86-286; 86-415; 87-669; 88-455.)

11 (35 ILCS 200/22-50)

12 Sec. 22-50. Denial of deed. If the court refuses to enter  
13 an order directing the county clerk to execute and deliver  
14 the tax deed, because of the failure of the purchaser to  
15 fulfill any of the above provisions, and if the purchaser, or  
16 his or her assignee has made a bona fide attempt to comply  
17 with the statutory requirements for the issuance of the tax  
18 deed, it shall order the return of the purchase price  
19 forthwith together with costs and subsequent years' taxes  
20 paid or redeemed by the holder of the certificate of  
21 purchase, as in case of sales in error, but ~~except--that~~ no  
22 interest shall be paid on the purchase price.

23 (Source: P.A. 86-1158; 86-1431; 86-1475; 87-145; 87-669;  
24 87-671; 87-895; 87-1189; 88-455.)