

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Mobile Home Local Services Tax Enforcement Act is amended by changing Sections 255 and 260 as follows:

(35 ILCS 516/255)

Sec. 255. Sales in error.

(a) When, upon application of the county collector, the owner of the certificate of purchase, or a municipality that owns or has owned the mobile home ordered sold, it appears to the satisfaction of the court that ordered the mobile home sold that any of the following subsections are applicable, the court shall declare the sale to be a sale in error:

(1) the mobile home was not subject to taxation,

(1.5) the mobile home has been moved to a different location,

(2) the taxes had been paid prior to the sale of the mobile home,

(3) there is a double computation of the tax,

(4) the description is void for uncertainty,

(5) the assessor, chief county assessment officer, board of review, board of appeals, or other county official has made an error (other than an error of judgment as to

the value of any mobile home),

(5.5) the owner of the mobile home had tendered timely and full payment to the county collector that the owner reasonably believed was due and owing on the mobile home, and the county collector did not apply the payment to the mobile home; provided that this provision applies only to mobile home owners, not their agents or third-party payors, ~~or~~

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

(7) the mobile home is owned by the United States, the State of Illinois, a municipality, or a taxing district.

(b) When, upon application of the owner of the certificate of purchase only, it appears to the satisfaction of the court that ordered the mobile home sold that any of the following subsections are applicable, the court shall declare the sale to be a sale in error:

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

(2) The mobile home sold has been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy subsequent to the tax sale and prior to the

issuance of the tax certificate of title.

(c) When the county collector discovers, prior to the expiration of the period of redemption, that a tax sale should not have occurred for one or more of the reasons set forth in subdivision (a) (1), (a) (2), (a) (6), or (a) (7) of this Section, the county collector shall notify the last known owner of the certificate of purchase by certified and regular mail, or other means reasonably calculated to provide actual notice, that the county collector intends to declare an administrative sale in error and of the reasons therefor, including documentation sufficient to establish the reason why the sale should not have occurred. The owner of the certificate of purchase may object in writing within 28 days after the date of the mailing by the county collector. If an objection is filed, the county collector shall not administratively declare a sale in error, but may apply to the circuit court for a sale in error as provided in subsection (a) of this Section. Thirty days following the receipt of notice by the last known owner of the certificate of purchase, or within a reasonable time thereafter, the county collector shall make a written declaration, based upon clear and convincing evidence, that the taxes were sold in error and shall deliver a copy thereof to the county clerk within 30 days after the date the declaration is made for entry in the tax judgment, sale, redemption, and forfeiture record pursuant to subsection (d) of this Section. The county collector shall promptly notify the last known owner

of the certificate of purchase of the declaration by regular mail and shall promptly pay the amount of the tax sale, together with interest and costs as provided in Sections 260 through 280, upon surrender of the original certificate of purchase.

(d) If a sale is declared to be a sale in error, the county clerk shall make entry in the tax judgment, sale, redemption and forfeiture record, that the mobile home was erroneously sold, and the county collector shall, on demand of the owner of the certificate of purchase, refund the amount paid, pay any interest and costs as may be ordered under Sections 260 through 280, and cancel the certificate so far as it relates to the mobile home. The county collector shall deduct from the accounts of the appropriate taxing bodies their pro rata amounts paid.

(Source: P.A. 92-807, eff. 1-1-03.)

(35 ILCS 516/260)

Sec. 260. Interest on refund.

(a) In those cases which arise solely under grounds set forth in Section 255 or 395, and in no other cases, the court which orders a sale in error shall also award interest on the refund of the amount paid for the certificate of purchase, together with all costs paid by the owner of the certificate of purchase or his or her assignor which were posted to the tax judgment, sale, redemption and forfeiture record, except as

otherwise provided in this Section. Except as otherwise provided in this Section, interest shall be awarded and paid at the rate of 1% per month from the date of sale to the date of payment to the tax purchaser, or in an amount equivalent to the penalty interest which would be recovered on a redemption at the time of payment pursuant to the order for sale in error, whichever is less.

(b) Interest on the refund to the owner of the certificate of purchase shall not be paid (i) in any case in which the mobile home sold has been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, (ii) when the sale in error is made pursuant to Section 395, or (iii) in any other case where the court determines that the tax purchaser had actual knowledge prior to the sale of the grounds on which the sale is declared to be erroneous.

(c) When the county collector files a petition for sale in error under Section 255 and mails a notice thereof by certified or registered mail to the tax purchaser, any interest otherwise payable under this Section shall cease to accrue as of the date the petition is filed, unless the tax purchaser agrees to an order for sale in error upon the presentation of the petition to the court. Notices under this subsection may be mailed to the original owner of the certificate of purchase, or to the latest assignee, if known. When the owner of the certificate of purchase contests the collector's petition solely to determine whether the grounds for sale in error are such as to support a

claim for interest, the court may direct that the principal amount of the refund be paid to the owner of the certificate of purchase forthwith. If the court thereafter determines that a claim for interest lies under this Section, it shall award such interest from the date of sale to the date the principal amount was paid. If the owner of the certificate of purchase files an objection to the county collector's intention to declare an administrative sale in error, as provided under subsection (c) of Section 255, and, thereafter, the county collector elects to apply to the circuit court for a sale in error under subsection (a) of Section 255, then, if the circuit court grants the county collector's application for a sale in error, the court may not award interest to the owner of the certificate of purchase for the period after the mailing date of the county collector's notice of intention to declare an administrative sale in error.

(Source: P.A. 92-807, eff. 1-1-03.)

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