

HB5768



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5768

by Rep. Allen Skillicorn

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-15
35 ILCS 200/21-40

Amends the Property Tax Code. Provides that, if a disaster is declared by proclamation of the Governor for all counties in the State due to a public health emergency, then the due date for the first installment of property taxes due in that calendar year shall be delayed by 90 days, and no penalties or interest shall accrue during that extension. Effective immediately.

LRB101 21158 HLH 71700 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

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 21-15 and 21-40 as follows:

6 (35 ILCS 200/21-15)

7 Sec. 21-15. General tax due dates; default by mortgage
8 lender. Except as otherwise provided in this Section or Section
9 21-40, all property upon which the first installment of taxes
10 remains unpaid on the later of (i) June 1 or (ii) the day after
11 the date specified on the real estate tax bill as the first
12 installment due date annually shall be deemed delinquent and
13 shall bear interest after that date at the rate of 1 1/2% per
14 month or portion thereof. Except as otherwise provided in this
15 Section or Section 21-40, all property upon which the second
16 installment of taxes remains due and unpaid on the later of (i)
17 September 1 or (ii) the day after the date specified on the
18 real estate tax bill as the second installment due date,
19 annually, shall be deemed delinquent and shall bear interest
20 after that date at the same interest rate. Notwithstanding any
21 other provision of law, if a taxpayer owes an arrearage of
22 taxes due to an administrative error, and if the county
23 collector sends a separate bill for that arrearage as provided

1 in Section 14-41, then any part of the arrearage of taxes that
2 remains unpaid on the day after the due date specified on that
3 tax bill shall be deemed delinquent and shall bear interest
4 after that date at the rate of 1 1/2% per month or portion
5 thereof. All interest collected shall be paid into the general
6 fund of the county. Payment received by mail and postmarked on
7 or before the required due date is not delinquent.

8 If a disaster is declared by proclamation of the Governor
9 for all counties in the State due to a public health emergency,
10 then the first installment of taxes due in that calendar year
11 and remaining unpaid shall not be declared delinquent and shall
12 not accrue any interest as otherwise required under this
13 Section for up to 90 days after the later of (i) June 1 or (ii)
14 the day after the date specified on the real estate tax bill as
15 the first installment due date annually.

16 Property not subject to the interest charge in Section
17 9-260 or Section 9-265 shall also not be subject to the
18 interest charge imposed by this Section until such time as the
19 owner of the property receives actual notice of and is billed
20 for the principal amount of back taxes due and owing.

21 If an Illinois resident who is a member of the Illinois
22 National Guard or a reserve component of the armed forces of
23 the United States and who has an ownership interest in property
24 taxed under this Act is called to active duty for deployment
25 outside the continental United States and is on active duty on
26 the due date of any installment of taxes due under this Act, he

1 or she shall not be deemed delinquent in the payment of the
2 installment and no interest shall accrue or be charged as a
3 penalty on the installment until 180 days after that member
4 returns from active duty. To be deemed not delinquent in the
5 payment of an installment of taxes and any interest on that
6 installment, the reservist or guardsperson must make a
7 reasonable effort to notify the county clerk and the county
8 collector of his or her activation to active duty and must
9 notify the county clerk and the county collector within 180
10 days after his or her deactivation and provide verification of
11 the date of his or her deactivation. An installment of property
12 taxes on the property of any reservist or guardsperson who
13 fails to provide timely notice and verification of deactivation
14 to the county clerk is subject to interest and penalties as
15 delinquent taxes under this Code from the date of deactivation.

16 Notwithstanding any other provision of law, when any unpaid
17 taxes become delinquent under this Section through the fault of
18 the mortgage lender, (i) the interest assessed under this
19 Section for delinquent taxes shall be charged against the
20 mortgage lender and not the mortgagor and (ii) the mortgage
21 lender shall pay the taxes, redeem the property and take all
22 necessary steps to remove any liens accruing against the
23 property because of the delinquency. In the event that more
24 than one entity meets the definition of mortgage lender with
25 respect to any mortgage, the interest shall be assessed against
26 the mortgage lender responsible for servicing the mortgage.

1 Unpaid taxes shall be deemed delinquent through the fault of
2 the mortgage lender only if: (a) the mortgage lender has
3 received all payments due the mortgage lender for the property
4 being taxed under the written terms of the mortgage or
5 promissory note secured by the mortgage, (b) the mortgage
6 lender holds funds in escrow to pay the taxes, and (c) the
7 funds are sufficient to pay the taxes after deducting all
8 amounts reasonably anticipated to become due for all hazard
9 insurance premiums and mortgage insurance premiums and any
10 other assessments to be paid from the escrow under the terms of
11 the mortgage. For purposes of this Section, an amount is
12 reasonably anticipated to become due if it is payable within 12
13 months from the time of determining the sufficiency of funds
14 held in escrow. Unpaid taxes shall not be deemed delinquent
15 through the fault of the mortgage lender if the mortgage lender
16 was directed in writing by the mortgagor not to pay the
17 property taxes, or if the failure to pay the taxes when due
18 resulted from inadequate or inaccurate parcel information
19 provided by the mortgagor, a title or abstract company, or by
20 the agency or unit of government assessing the tax.

21 (Source: P.A. 97-944, eff. 8-10-12; 98-286, eff. 1-1-14.)

22 (35 ILCS 200/21-40)

23 Sec. 21-40. Ordinance for delayed due date; accrual of
24 interest.

25 (a) In any county with less than 3,000,000 inhabitants, the

1 county board may adopt an ordinance under which 50% of each
2 installment of taxes shall not become delinquent until 60 days
3 after each installment would otherwise become delinquent under
4 Sections 21-15, 21-20, 21-25 or 21-30.

5 (a-5) If a disaster is declared by proclamation of the
6 Governor for all counties in the State due to a public health
7 emergency, then the due date of the first installment of tax
8 due ordinarily on June 1 shall be delayed by 90 days.

9 (b) Beginning with installments of taxes and special
10 assessments payable in 1994, in any county that has been
11 designated, in whole or in part, as a disaster area by the
12 President of the United States or the Governor of the State of
13 Illinois due to a disaster that occurred during the calendar
14 year in which the taxes are payable or in the preceding
15 calendar year, the county board may adopt an ordinance or
16 resolution under which interest allowed to be assessed on
17 special assessments or allowed to be assessed under Sections
18 21-15, 21-20, and 21-25 on delinquent installments of taxes for
19 real property within one or more townships (or congressional
20 townships if the assessor's books are organized by
21 congressional townships) designated by the county board, that
22 have been affected by the disaster does not accrue until the
23 court enters the order for sale of the property. The ordinance
24 or resolution shall provide that a person may pay a delinquent
25 installment of taxes or special assessment without interest
26 being assessed until the last working day before the court

1 enters the order for sale of the property. If adopted, the
2 ordinance or resolution must establish a procedure for affected
3 property owners to make application to a designated county
4 official who shall determine, according to the guidelines in
5 the ordinance or resolution, whether the property is
6 substantially damaged or adversely affected and shall approve
7 damaged or adversely affected property for the delay in accrual
8 of interest specified in the ordinance or resolution. The
9 designated county official shall notify the county collector of
10 the parcel number and the name of the owner of property
11 approved for relief.

12 (c) (1) The governing authority of any county that has been
13 designated, in whole or in part, as a disaster area by the
14 President of the United States or the Governor of the State of
15 Illinois may adopt an ordinance or resolution modifying the
16 provisions of this Act relating to any specified installment or
17 installments of real property tax or special assessment on real
18 property that is situated within the designated disaster area
19 and that is determined, in the manner provided in the ordinance
20 or resolution, to be substantially damaged or adversely
21 affected as a result of that disaster.

22 The ordinance or resolution may:

23 (A) postpone the date on which any specified
24 installment or installments of tax due on that real
25 property in the current year becomes or became delinquent
26 under Section 21-15, 21-20, or 21-25;

1 (B) exempt any specified installment or installments
2 of tax due on that real property from the interest penalty
3 provided under Section 21-15, 21-20, or 21-25 until the
4 postponed delinquency date established by the ordinance or
5 resolution;

6 (C) postpone the date on which a special assessment due
7 on that real property in the current year becomes or became
8 delinquent; and exempt a special assessment due on that
9 real property from any interest penalty until the postponed
10 delinquency date established by the ordinance or
11 resolution; and

12 (D) order the county collector not to give notice of
13 application for judgment for sale under Section 21-110 or
14 21-120 and not to apply for judgment and order of sale
15 under Section 21-150, until after the postponed
16 delinquency date for the final installment of tax or
17 special assessment due on that real property as established
18 in the ordinance or resolution.

19 (2) The ordinance or resolution shall establish a procedure
20 for owners of real property situated in the designated disaster
21 area to make application to a designated county official, who
22 shall determine, within the guidelines established by the
23 ordinance or resolution, if the property is substantially
24 damaged or adversely affected and approve the property for
25 relief as specified in the ordinance or resolution adopted
26 under this subsection (c). The designated county official shall

1 notify the county collector of the parcel number and name of
2 the property owner of property approved for relief.

3 (3) The ordinance or resolution may also direct the county
4 collector to give a credit against a special assessment or the
5 extension of the general corporate levy of the county for the
6 year following the year in which the disaster is declared to
7 the owner of property approved for relief in an amount equal to
8 any interest penalty paid by that owner on any specified
9 installment or installments of tax due on that property in the
10 year the disaster is declared, if that interest penalty was
11 paid before the ordinance or resolution was adopted or before
12 the postponed delinquency dates.

13 (4) The ordinance or resolution may also direct the county
14 collector to refund any installment or installments, and any
15 special assessment or interest penalties thereon, of tax due,
16 in the year the disaster is declared, on property approved for
17 relief, that have been paid by the holder of a certificate of
18 purchase for a prior year on that property.

19 (Source: P.A. 88-455; 88-518; 88-660, eff. 9-16-94; 89-89, eff.
20 6-30-95.)

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