103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2082

Introduced 2/9/2023, by Sen. Robert Peters

SYNOPSIS AS INTRODUCED:

35 ILCS 200/22-4 new 35 ILCS 200/22-10 35 ILCS 200/22-15 735 ILCS 5/9-205 from Ch. 110, par. 9-205 735 ILCS 5/9-207 from Ch. 110, par. 9-207 735 ILCS 5/9-207.6 new 735 ILCS 5/9-207.7 new

Amends the Property Tax Code. Provides that a notice under the Tax Deeds and Procedures Article must contain a notice in 9 non-English languages encouraging the reader to have the notice translated because it contains important information about property taxes and may affect the person's ownership of the property. Requires a statement to be added to the notice of expiration of the period of redemption regarding limited reimbursement rights. Modifies service requirements of the notice. Amends the Code of Civil Procedure. Adds provisions regarding continuation or termination of bona fide leases in residential real estate in properties conveyed by a tax deed. Effective immediately.

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1 AN ACT concerning revenue.

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2 Be it enacted by the People of the State of Illinois,

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represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by changing 5 Sections 22-10 and 22-15 and by adding Section 22-4 as 6 follows:

7 (35 ILCS 200/22-4 new)

Sec. 22-4. Notice languages. Notices under this Article 8 9 must contain the following statement in Spanish, Polish, Chinese, Tagalog, Arabic, Korean, German, Urdu, and Gujarati: 10 "This notice contains important information about your 11 12 property taxes and may affect your ownership of property. We encourage you to have this notice translated in full into a 13 14 language you understand before you make any decisions that may be required under this notice." 15

16 (35 ILCS 200/22-10)

Sec. 22-10. Notice of expiration of period of redemption. A purchaser or assignee shall not be entitled to a tax deed to the property sold unless, not less than 3 months nor more than 6 months prior to the expiration of the period of redemption, he or she gives notice of the sale and the date of expiration of the period of redemption to the owners, occupants, and

SB2082 - 2 - LRB103 28974 HLH 55360 b parties interested in the property, including any mortgagee of 1 2 record, as provided below. the 3 The Notice to be given to the parties shall be in at least 10-point 10 point type in the following form completely filled 4 5 in: 6 7 TAKE NOTICE 8 County of 9 Date Premises Sold 10 Certificate No..... 11 Sold for General Taxes of (year) 12 Sold for Special Assessment of (Municipality) 13 and special assessment number 14 Warrant No. Inst. No. 15 THIS PROPERTY HAS BEEN SOLD FOR 16 DELINQUENT TAXES 17 Property located at Legal Description or Property Index No. 18 19 20 21 This notice is to advise you that the above property has 22 been sold for delinguent taxes and that the period of 23 redemption from the sale will expire on 24 25 The amount to redeem is subject to increase at 6 month 26 intervals from the date of sale and may be further increased if

the purchaser at the tax sale or his or her assignee pays any subsequently accruing taxes or special assessments to redeem the property from subsequent forfeitures or tax sales. Check with the county clerk as to the exact amount you owe before redeeming.

6 This notice is also to advise you that a petition has been 7 filed for a tax deed which will transfer title and the right to 8 possession of this property if redemption is not made on or 9 before

10 This matter is set for hearing in the Circuit Court of this 11 county in, Illinois on

You may be present at this hearing but your right to redeem will already have expired at that time.

14 YOU ARE URGED TO REDEEM IMMEDIATELY

15 TO PREVENT LOSS OF PROPERTY

Redemption can be made at any time on or before by applying to the County Clerk of, County, Illinois at the Office of the County Clerk in, Illinois.

For further information contact the County Clerk
ADDRESS:.....
TELEPHONE:....

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22 .....
23 Purchaser or Assignee.
24 Dated (insert date).
25 LIMITED RIGHT TO REIMBURSEMENT
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1 If you lose your home due to a tax sale and owned more 2 equity in your home than your total overdue property taxes, 3 fees, and interest, you may be able to request a payment from 4 the county's Indemnity Fund.

5 You can request an Indemnity Fund payment by filing a 6 petition in the court where your taxes were sold. The petition 7 must be filed in your name and identify the office of the 8 county treasurer as a defendant.

<u>Your right to compensation is limited and defined by State</u>
 <u>law (35 ILCS 200/21-305). You are encouraged to talk to a</u>
 <u>lawyer before filing a petition.</u>

12 In counties with 3,000,000 or more inhabitants, the notice 13 shall also state the address, room number<u>,</u> and time at which 14 the matter is set for hearing.

The changes to this Section made by Public Act 97-557 apply only to matters in which a petition for tax deed is filed on or after July 1, 2012 (the effective date of Public Act 97-557).

The changes to this Section made by <u>Public Act 102-1003</u> this amendatory Act of the 102nd General Assembly apply to matters in which a petition for tax deed is filed on or after <u>May 27, 2022 (the effective date of <u>Public Act 102-1003)</u> this amendatory Act of the 102nd General Assembly. Failure of any party or any public official to comply with the changes made to this Section by Public Act 102-528 does not invalidate any tax</u>

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deed issued prior to <u>May 27, 2022 (the effective date of Public</u> <u>Act 102-1003)</u> this amendatory <u>Act of the 102nd General</u> <u>Assembly</u>.
(Source: P.A. 102-528, eff. 1-1-22; 102-813, eff. 5-13-22; 102-1003, eff. 5-27-22; revised 9-1-22.)

6 (35 ILCS 200/22-15)

7 Sec. 22-15. Service of notice.

8 (a) The purchaser or his or her assignee shall give the 9 notice required by Section 22-10 by causing it to be published 10 in a newspaper as set forth in Section 22-20. In addition, the 11 notice shall be served by a sheriff (or if he or she is 12 disqualified, by a coroner) of the county in which the 13 property, or any part thereof, is located or, except in Cook 14 County, by a person who is licensed or registered as a private 15 detective under the Private Detective, Private Alarm, Private 16 Security, Fingerprint Vendor, and Locksmith Act of 2004 upon owners who reside on any part of the property sold by leaving a 17 18 copy of the notice with those owners personally and with the occupants as provided in subsection (b). 19

In counties of 3,000,000 or more inhabitants where a taxing district is a petitioner for tax deed pursuant to Section 21-90, in lieu of service by the sheriff or coroner the notice may be served by a special process server appointed by the circuit court as provided in this Section. The taxing district may move prior to filing one or more petitions for tax - 6 - LRB103 28974 HLH 55360 b

deed for appointment of such a special process server. The 1 2 court, upon being satisfied that the person named in the 3 motion is at least 18 years of age and is capable of serving notice as required under this Code, shall enter an order 4 5 appointing such person as a special process server for a period of one year. The appointment may be renewed for 6 successive periods of one year each by motion and order, and a 7 8 copy of the original and any subsequent order shall be filed in 9 each tax deed case in which a notice is served by the appointed 10 person. Delivery of the notice to and service of the notice by 11 the special process server shall have the same force and 12 effect as its delivery to and service by the sheriff or 13 coroner.

The same form of notice shall also be served, in the manner set forth under Sections 2-203, 2-204, 2-205, 2-205.1, and 2-211 of the Code of Civil Procedure, upon all other owners and parties interested in the property, if upon diligent inquiry they can be found in the county, and upon the occupants of the property.

20 <u>(b) No later than 21 days after issuance of an order</u> 21 <u>directing the county clerk to issue a tax deed, the purchaser</u> 22 <u>or the purchaser's assignee shall make a good faith effort to</u> 23 <u>ascertain the identities and addresses of all occupants of the</u> 24 <u>property's dwelling units and, following the conveyance of the</u> 25 <u>tax deed, but no later than 21 days after the conveyance of the</u> 26 <u>tax deed, notify all known occupants of the dwelling units</u>

1	that the purchaser or the purchaser's assignee has acquired
2	the property. The notice shall be in writing and shall:
3	(1) identify the occupant being served by the name
4	known to the purchaser or the purchaser's assignee;
5	(2) inform the occupant that the mortgaged real estate
6	upon which the dwelling unit is located is the subject of a
7	tax deed conveyance and that control of the property has
8	changed;
9	(3) provide the name, address, and telephone number of
10	an individual or entity who the occupants may contact with
11	concerns about the property or to request repairs of that
12	property;
13	(4) include the following statement or a statement
14	that is substantially similar: "This is NOT a notice to
15	vacate the premises. You may wish to contact a lawyer or
16	your local legal aid or housing counseling agency to
17	discuss any rights that you may have.";
18	(5) include the name of the case, the case number, and
19	the court where conveyance of the tax deed has been
20	entered; and
21	(6) provide instructions on the method of payment of
22	future rent, if applicable.
23	The written notice required for occupants shall be served
24	by delivering a copy of the notice to the known occupant, by
25	leaving the notice with a person who is 13 years of age or
26	older and who is residing on or in possession of the premises,

or by sending a copy of the notice to the known occupant by
first-class mail addressed to the occupant by the name known
to purchaser or the purchaser's assignee.

4 If the purchaser or the purchaser's assignee ascertains 5 the identity and address of an occupant of a dwelling unit of 6 the property more than 21 days after the conveyance of the tax 7 deed, the purchaser or the purchaser's assignee shall provide 8 the notice required by paragraph (2) of this subsection within 9 <u>7 days of ascertaining the identity and address of the</u> 10 occupant.

A purchaser or the purchaser's assignee may not demand, collect, or terminate a tenancy for nonpayment of rent that accrued prior to the month they issued the notice required by this subsection.

An occupant who previously paid rent for the current rental period to the previous owner or to another entity with the authority to operate, manage, and conserve the real estate at the time of payment shall not be held liable for that rent by the purchaser or purchaser's assignee, and the occupant's tenancy shall not be terminated for nonpayment of rent for that rental period.

22 <u>Within 21 days after the conveyance of the tax deed, the</u> 23 <u>purchaser or the purchaser's assignee shall post a written</u> 24 <u>notice on the primary entrance of each dwelling unit subject</u> 25 <u>to the foreclosure action. This notice shall:</u>

26 (i) inform occupants that the dwelling unit is the

1	subject of a tax deed conveyance and that control of the
2	property has changed;
3	(ii) include the following language: "This is NOT a
4	notice to vacate the premises.";
5	(iii) provide the name, address, and telephone number
6	of the individual or entity that occupants may contact
7	with concerns about the property or to request repairs of
8	the property; and
9	(iv) provide instructions on the method of payment of
10	future rent, if applicable.
11	Subsection (c) of Section 9-207.7 of the Code of Civil
12	Procedure is the exclusive remedy for the failure of the
13	purchaser or the purchaser's assignee to provide notice to a
14	known occupant under this subsection.
15	This Section shall not abrogate any right that a purchaser
16	or the purchaser's assignee may have to possess the property
17	and to maintain a proceeding against an occupant of a dwelling
18	unit for possession.
19	If the property sold has more than 4 dwellings or other
20	rental units, and has a managing agent or party who collects
21	rents, that person shall be deemed the occupant and shall be
22	served with notice instead of the occupants of the individual
23	units. If the property has no dwellings or rental units, but
24	economic or recreational activities are carried on therein,
25	the person directing such activities shall be deemed the

1 reverter shall not be deemed parties interested in the 2 property.

3 (c) When a party interested in the property is a trustee, 4 notice served upon the trustee shall be deemed to have been 5 served upon any beneficiary or note holder thereunder unless 6 the holder of the note is disclosed of record.

7 When a judgment is a lien upon the property sold, the 8 holder of the lien shall be served with notice if the name of 9 the judgment debtor as shown in the transcript, certified copy 10 or memorandum of judgment filed of record is identical, as to 11 given name and surname, with the name of the party interested 12 as it appears of record.

13 If any owner or party interested, upon diligent inquiry 14 and effort, cannot be found or served with notice in the county as provided in this Section, and the person in actual 15 16 occupancy and possession is tenant to, or in possession under 17 the owners or the parties interested in the property, then service of notice upon the tenant, occupant or person in 18 19 possession shall be deemed service upon the owners or parties 20 interested.

If any owner or party interested, upon diligent inquiry and effort cannot be found or served with notice in the county, then the person making the service shall cause a copy of the notice to be sent by registered or certified mail, return receipt requested, to that party at his or her residence, if ascertainable.

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1 The changes to this Section made by Public Act 95-477 2 apply only to matters in which a petition for tax deed is filed 3 on or after June 1, 2008 (the effective date of Public Act 4 95-477).

5 <u>(d) This Section does not require a purchaser or his or her</u> 6 <u>assignee to provide the notice required by this Section to the</u> 7 <u>prior owner of the real estate if the court issuing the tax</u> 8 <u>deed order entered an eviction order against that party after</u> 9 <u>proper notice to that party.</u>

10 (Source: P.A. 95-195, eff. 1-1-08; 95-477, eff. 6-1-08; 11 95-876, eff. 8-21-08.)

Section 10. The Code of Civil Procedure is amended by changing Sections 9-121, 9-205, and 9-207 and by adding Sections 9-207.6 and 9-207.7 as follows:

15 (735 ILCS 5/9-121)

16 Sec. 9-121. Sealing of court file.

17 (a) Definition. As used in this Section, "court file" 18 means the court file created when an eviction action is filed 19 with the court.

(b) Discretionary sealing of court file. The court may order that a court file in an eviction action be placed under seal if the court finds that the plaintiff's action is sufficiently without a basis in fact or law, which may include a lack of jurisdiction, that placing the court file under seal

1 is clearly in the interests of justice, and that those 2 interests are not outweighed by the public's interest in 3 knowing about the record.

4 (c) Mandatory sealing of court file. The court file 5 relating to an eviction action brought against a tenant under 6 Section 9-207.5, Section 9-207.6, or of this Code or as set 7 forth in subdivision (h)(6) of Section 15-1701 of this Code 8 shall be placed under seal.

9 (d) This Section is operative on and after August 1, 2022.
10 (Source: P.A. 102-5, eff. 5-17-21.)

11 (735 ILCS 5/9-205) (from Ch. 110, par. 9-205)

Sec. 9-205. Notice to terminate tenancy from year to year. Except as provided in Section 9-206, and Section 9-207.5, and Section 9-207.6 of this Code Act, in all cases of tenancy from year to year, 60 days' notice, in writing, shall be sufficient to terminate the tenancy at the end of the year. The notice may be given at any time within 4 months preceding the last 60 days of the year.

19 (Source: P.A. 98-514, eff. 11-19-13.)

20 (735 ILCS 5/9-207) (from Ch. 110, par. 9-207)

21 Sec. 9-207. Notice to terminate tenancy for less than a 22 year.

(a) Except as provided in Section 9-207.5 <u>and Section</u>
 <u>9-207.6</u> of this Code, in all cases of tenancy from week to

week, where the tenant holds over without special agreement, the landlord may terminate the tenancy by 7 days' notice, in writing, and may maintain an action for eviction or ejectment.

4 (b) Except as provided in Section 9-207.5 <u>and Section</u> 5 <u>9-207.6</u> of this Code, in all cases of tenancy for any term less 6 than one year, other than tenancy from week to week, where the 7 tenant holds over without special agreement, the landlord may 8 terminate the tenancy by 30 days' notice, in writing, and may 9 maintain an action for eviction or ejectment.

10 (Source: P.A. 100-173, eff. 1-1-18.)

11 (735 ILCS 5/9-207.6 new)

12 Sec. 9-207.6. Bona fide lease.

13 (a) As used in this Section:

14 <u>"Bona fide lease" includes a lease of a dwelling unit in</u> 15 residential real estate in which:

16 <u>(1) the owner or the child, spouse, or parent of the</u> 17 <u>owner is not the tenant;</u> 18 <u>(2) the lease was the result of an arms-length</u> 19 <u>transaction;</u>

20 <u>(3) the lease requires the receipt of rent that is not</u> 21 <u>substantially less than fair market rent for the property</u> 22 <u>or the rent is reduced or subsidized pursuant to a</u> 23 <u>federal, State, or local subsidy;</u>

24(4) the lease was entered into or renewed before the25date the tax deed of the property conveyed was executed by

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2	(5) the term of the lease is for one year or less.
3	"Dwelling unit" means a room or suite of rooms providing
4	complete, independent living facilities for at least one
5	person, including permanent provisions for sanitation,
6	cooking, eating, sleeping, and other activities routinely
7	associated with daily life.
8	"Residential real estate" means any real estate, except a

9 single tract of agricultural real estate, consisting of more than 40 acres, that is improved with a single-family 10 11 residence, residential condominium units, or a multiple 12 dwelling structure containing single-family dwelling units for 13 one or more families living independently of one another for 14 which an action to foreclose the real estate: (1) has commenced and is pending; (2) was pending when the bona fide 15 16 lease was entered into or renewed; or (3) was commenced after 17 the bona fide lease was entered into or renewed.

18 (b) A written lease for a term exceeding one year that is 19 entered into or renewed before the end of the redemption 20 period and before the date the tax deed of the property 21 conveyed was executed by the county clerk that otherwise meets 22 the requirements of subsection (a) is a bona fide lease for a 23 term of one year.

24 (c) An oral lease entered into at any time before the date 25 the tax deed of the property conveyed was executed by the 26 county clerk that otherwise meets the requirements of

1 <u>subsection (a) is a bona fide lease for a month-to-month term,</u>
2 <u>unless the lessee proves by a preponderance of evidence that</u>
3 <u>the oral lease is for a longer term. An oral lease is not a</u>
4 bona fide lease if it has a term of more than one year.

5 (d) A written or oral lease entered into on or after the date the tax deed of the property conveyed was executed by the 6 7 county clerk or that otherwise meets the requirements of 8 subsection (a) is a bona fide lease for a month-to-month term. 9 (e) Notwithstanding paragraph (1) of the definition of 10 "bona fide lease" in subsection (a), a child, spouse, or 11 parent of the owner may prove by a preponderance of evidence 12 that a written or oral lease that otherwise meets the requirements of subsection (a) is a bona fide lease. 13

14 (735 ILCS 5/9-207.7 new)

15 <u>Sec. 9-207.7. Continuation or termination of bona fide</u> 16 <u>leases in residential real estate in properties conveyed by</u> 17 <u>tax deed.</u>

18 (a) The purchaser or the purchaser's assignee who assumes control of the residential real estate under Article 22 of the 19 20 Property Tax Code, may terminate a bona fide lease, as that 21 term is described in Section 9-207.6, only (i) at the end of 22 the term of the bona fide lease with no less than 90 days' 23 written notice or (ii) in the case of a bona fide lease that is 24 for a month-to-month or week-to-week term, with no less than 25 90 days' written notice.

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1	(b) Notwithstanding the provisions of subsection (a), an
2	individual who assumes control of residential a property
3	through conveyance of a tax deed and who will occupy a dwelling
4	unit of the residential property as his or her primary
5	residence may terminate the bona fide lease for the dwelling
6	unit subject to the 90-day notice requirement of subsection
7	<u>(a).</u>
8	(c) Nothing in this Section shall abrogate the rights of
9	the purchaser or the purchaser's assignee who assumes control
10	of the residential real estate under Article 22 of the
11	Property Tax Code to terminate, pursuant to Section 9-118,
12	<u>9-119, 9-120, 9-201, 9-202, 9-203, 9-204, 9-209, or 9-210 of</u>
13	this Code, a bona fide lease of a dwelling unit in residential
14	real estate that has been subject to a tax deed sale if the tax
15	deed purchaser or his or her assignee has followed the notice
16	procedures set forth in Section 22-15 of the Property Tax
17	Code.

18 Section 99. Effective date. This Act takes effect upon 19 becoming law.