

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 21-310 and 21-315 as follows:

6 (35 ILCS 200/21-310)

7 Sec. 21-310. Sales in error.

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

14 (1) the property was not subject to taxation, or all or
15 any part of the lien of taxes sold has become null and void
16 pursuant to Section 21-95 or unenforceable pursuant to
17 subsection (c) of Section 18-250 or subsection (b) of
18 Section 22-40,

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

21 (3) there is a double assessment,

22 (4) the description is void for uncertainty,

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

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

1 third-party payors,

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

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

8 (b) When, upon application of the owner of the certificate
9 of purchase only, it appears to the satisfaction of the court
10 which ordered the property sold that any of the following
11 subsections are applicable, the court shall declare the sale to
12 be a sale in error:

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

17 (2) The improvements upon the property sold have been
18 substantially destroyed or rendered uninhabitable or
19 otherwise unfit for occupancy subsequent to the tax sale
20 and prior to the issuance of the tax deed.

21 (3) There is an interest held by the United States in
22 the property sold which could not be extinguished by the
23 tax deed.

24 (4) The real property contains a hazardous substance,
25 hazardous waste, or underground storage tank that would
26 require cleanup or other removal under any federal, State,
27 or local law, ordinance, or regulation, only if the tax
28 purchaser purchased the property without actual knowledge
29 of the hazardous substance, hazardous waste, or
30 underground storage tank. This paragraph (4) applies only
31 if the owner of the certificate of purchase has made
32 application for a sale in error at any time before the
33 issuance of a tax deed.

34 (c) When the county collector discovers, ~~within one year~~
35 ~~after the date of sale if taxes were sold at an annual tax sale~~
36 ~~or within 180 days after the date of sale if taxes were sold at~~

1 ~~a scavenger tax sale,~~ that a tax sale should not have occurred
2 for one or more of the reasons set forth in subdivision (a)(1),
3 (a)(2), (a)(6), or (a)(7) of this Section, the county collector
4 shall notify the last known owner of the certificate of
5 purchase by certified and regular mail, or other means
6 reasonably calculated to provide actual notice, that the county
7 collector intends to declare an administrative sale in error
8 and of the reasons therefor, including documentation
9 sufficient to establish the reason why the sale should not have
10 occurred. The owner of the certificate of purchase may object
11 in writing within 28 days after the date of the mailing by the
12 county collector. If an objection is filed, the county
13 collector shall not administratively declare a sale in error,
14 but may apply to the circuit court for a sale in error as
15 provided in subsection (a) of this Section. Thirty days
16 following the receipt of notice by the last known owner of the
17 certificate of purchase, or within a reasonable time
18 thereafter, the county collector shall make a written
19 declaration, based upon clear and convincing evidence, that the
20 taxes were sold in error and shall deliver a copy thereof to
21 the county clerk within 30 days after the date the declaration
22 is made for entry in the tax judgment, sale, redemption, and
23 forfeiture record pursuant to subsection (d) of this Section.
24 The county collector shall promptly notify the last known owner
25 of the certificate of purchase of the declaration by regular
26 mail and shall promptly pay the amount of the tax sale,
27 together with interest and costs as provided in Section 21-315,
28 upon surrender of the original certificate of purchase.

29 (d) If a sale is declared to be a sale in error, the county
30 clerk shall make entry in the tax judgment, sale, redemption
31 and forfeiture record, that the property was erroneously sold,
32 and the county collector shall, on demand of the owner of the
33 certificate of purchase, refund the amount paid, pay any
34 interest and costs as may be ordered under Sections 21-315
35 through 21-335, and cancel the certificate so far as it relates
36 to the property. The county collector shall deduct from the

1 accounts of the appropriate taxing bodies their pro rata
2 amounts paid.

3 (Source: P.A. 91-177, eff. 1-1-00; 91-357, eff. 7-29-99;
4 91-924, eff. 1-1-01; 92-224, eff. 1-1-02; 92-729, eff.
5 7-25-02.)

6 (35 ILCS 200/21-315)

7 Sec. 21-315. Refund of costs; interest on refund.

8 (a) If a sale in error under Section 21-310, 22-35, or
9 22-50 is declared, the amount refunded shall also include all
10 costs paid by the owner of the certificate of purchase or his
11 or her assignor which were posted to the tax judgment, sale,
12 redemption and forfeiture record.

13 (b) In those cases which arise solely under grounds set
14 forth in Section 21-310, the amount refunded shall also include
15 interest on the refund of the amount paid for the certificate
16 of purchase, except as otherwise provided in this Section.
17 Interest shall be awarded and paid to the tax purchaser at the
18 rate of 1% per month from the date of sale to the date of
19 payment, or in an amount equivalent to the penalty interest
20 which would be recovered on a redemption at the time of payment
21 pursuant to the order for sale in error, whichever is less.
22 Interest shall not be paid when the sale in error is made
23 pursuant to paragraph (2) or (4) of subsection (b) of Section
24 21-310, Section 22-35, Section 22-50, any ground not enumerated
25 in Section 21-310, or in any other case where the court
26 determines that the tax purchaser had actual knowledge prior to
27 the sale of the grounds on which the sale is declared to be
28 erroneous.

29 (c) When the county collector files a petition for sale in
30 error under Section 21-310 and mails a notice thereof by
31 certified or registered mail to the last known owner of the
32 certificate of purchase, any interest otherwise payable under
33 this Section shall cease to accrue as of the date the petition
34 is filed, unless the tax purchaser agrees to an order for sale
35 in error upon the presentation of the petition to the court.

1 Notices under this subsection may be mailed to the last known
2 owner of the certificate of purchase. When the owner of the
3 certificate of purchase contests the collector's petition
4 solely to determine whether the grounds for sale in error are
5 such as to support a claim for interest, the court may direct
6 that the principal amount of the refund be paid to the owner of
7 the certificate of purchase forthwith. If the court thereafter
8 determines that a claim for interest lies under this Section,
9 it shall award such interest from the date of sale to the date
10 the principal amount was paid. If the owner of the certificate
11 of purchase files an objection to the county collector's
12 intention to declare an administrative sale in error, as
13 provided under subsection (c) of Section 21-310, and,
14 thereafter, the county collector elects to apply to the circuit
15 court for a sale in error under subsection (a) of Section
16 21-310, then, if the circuit court grants the county
17 collector's application for a sale in error, the court may not
18 award interest to the owner of the certificate of purchase for
19 the period after the mailing date of the county collector's
20 notice of intention to declare an administrative sale in error.
21 (Source: P.A. 92-224, eff. 1-1-02; 92-729, eff. 7-25-02.)