



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB0126

Introduced 1/10/2013, by Rep. Jehan A. Gordon

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-260

Amends the Property Tax Code. In a Section concerning scavenger sales, provides that any taxing district in which the property is located (instead of the county only) may bid as trustee for all taxing districts and no cash need be paid. Effective immediately.

LRB098 04110 HLH 34133 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 Section 21-260 as follows:

6 (35 ILCS 200/21-260)

7 Sec. 21-260. Collector's scavenger sale. Upon the county  
8 collector's application under Section 21-145, to be known as  
9 the Scavenger Sale Application, the Court shall enter judgment  
10 for the general taxes, special taxes, special assessments,  
11 interest, penalties and costs as are included in the  
12 advertisement and appear to be due thereon after allowing an  
13 opportunity to object and a hearing upon the objections as  
14 provided in Section 21-175, and order those properties sold by  
15 the County Collector at public sale to the highest bidder for  
16 cash, notwithstanding the bid may be less than the full amount  
17 of taxes, special taxes, special assessments, interest,  
18 penalties and costs for which judgment has been entered.

19 (a) Conducting the sale - Bidding. All properties shall be  
20 offered for sale in consecutive order as they appear in the  
21 delinquent list. The minimum bid for any property shall be \$250  
22 or one-half of the tax if the total liability is less than  
23 \$500. The successful bidder shall immediately pay the amount of

1 minimum bid to the County Collector in cash, by certified or  
2 cashier's check, by money order, or, if the successful bidder  
3 is a governmental unit, by a check issued by that governmental  
4 unit. If the bid exceeds the minimum bid, the successful bidder  
5 shall pay the balance of the bid to the county collector in  
6 cash, by certified or cashier's check, by money order, or, if  
7 the successful bidder is a governmental unit, by a check issued  
8 by that governmental unit by the close of the next business  
9 day. If the minimum bid is not paid at the time of sale or if  
10 the balance is not paid by the close of the next business day,  
11 then the sale is void and the minimum bid, if paid, is  
12 forfeited to the county general fund. In that event, the  
13 property shall be reoffered for sale within 30 days of the last  
14 offering of property in regular order. The collector shall make  
15 available to the public a list of all properties to be included  
16 in any reoffering due to the voiding of the original sale. The  
17 collector is not required to serve or publish any other notice  
18 of the reoffering of those properties. In the event that any of  
19 the properties are not sold upon reoffering, or are sold for  
20 less than the amount of the original voided sale, the original  
21 bidder who failed to pay the bid amount shall remain liable for  
22 the unpaid balance of the bid in an action under Section  
23 21-240. Liability shall not be reduced where the bidder upon  
24 reoffering also fails to pay the bid amount, and in that event  
25 both bidders shall remain liable for the unpaid balance of  
26 their respective bids. A sale of properties under this Section

1 shall not be final until confirmed by the court.

2 (b) Confirmation of sales. The county collector shall file  
3 his or her report of sale in the court within 30 days of the  
4 date of sale of each property. No notice of the county  
5 collector's application to confirm the sales shall be required  
6 except as prescribed by rule of the court. Upon confirmation,  
7 except in cases where the sale becomes void under Section  
8 22-85, or in cases where the order of confirmation is vacated  
9 by the court, a sale under this Section shall extinguish the in  
10 rem lien of the general taxes, special taxes and special  
11 assessments for which judgment has been entered and a  
12 redemption shall not revive the lien. Confirmation of the sale  
13 shall in no event affect the owner's personal liability to pay  
14 the taxes, interest and penalties as provided in this Code or  
15 prevent institution of a proceeding under Section 21-440 to  
16 collect any amount that may remain due after the sale.

17 (c) Issuance of tax sale certificates. Upon confirmation of  
18 the sale the County Clerk and the County Collector shall issue  
19 to the purchaser a certificate of purchase in the form  
20 prescribed by Section 21-250 as near as may be. A certificate  
21 of purchase shall not be issued to any person who is ineligible  
22 to bid at the sale or to receive a certificate of purchase  
23 under Section 21-265.

24 (d) Scavenger Tax Judgment, Sale and Redemption Record -  
25 Sale of parcels not sold. The county collector shall prepare a  
26 Scavenger Tax Judgment, Sale and Redemption Record. The county

1 clerk shall write or stamp on the scavenger tax judgment, sale,  
2 forfeiture and redemption record opposite the description of  
3 any property offered for sale and not sold, or not confirmed  
4 for any reason, the words "offered but not sold". The  
5 properties which are offered for sale under this Section and  
6 not sold or not confirmed shall be offered for sale annually  
7 thereafter in the manner provided in this Section until sold,  
8 except in the case of mineral rights, which after 10  
9 consecutive years of being offered for sale under this Section  
10 and not sold or confirmed shall no longer be required to be  
11 offered for sale. At any time between annual sales the County  
12 Collector may advertise for sale any properties subject to sale  
13 under judgments for sale previously entered under this Section  
14 and not executed for any reason. The advertisement and sale  
15 shall be regulated by the provisions of this Code as far as  
16 applicable.

17 (e) Proceeding to tax deed. The owner of the certificate of  
18 purchase shall give notice as required by Sections 22-5 through  
19 22-30, and may extend the period of redemption as provided by  
20 Section 21-385. At any time within 6 months prior to expiration  
21 of the period of redemption from a sale under this Code, the  
22 owner of a certificate of purchase may file a petition and may  
23 obtain a tax deed under Sections 22-30 through 22-55. All  
24 proceedings for the issuance of a tax deed and all tax deeds  
25 for properties sold under this Section shall be subject to  
26 Sections 22-30 through 22-55. Deeds issued under this Section

1 are subject to Section 22-70. This Section shall be liberally  
2 construed so that the deeds provided for in this Section convey  
3 merchantable title.

4 (f) Redemptions from scavenger sales. Redemptions may be  
5 made from sales under this Section in the same manner and upon  
6 the same terms and conditions as redemptions from sales made  
7 under the County Collector's annual application for judgment  
8 and order of sale, except that in lieu of penalty the person  
9 redeeming shall pay interest as follows if the sale occurs  
10 before September 9, 1993:

11 (1) If redeemed within the first 2 months from the date  
12 of the sale, 3% per month or portion thereof upon the  
13 amount for which the property was sold;

14 (2) If redeemed between 2 and 6 months from the date of  
15 the sale, 12% of the amount for which the property was  
16 sold;

17 (3) If redeemed between 6 and 12 months from the date  
18 of the sale, 24% of the amount for which the property was  
19 sold;

20 (4) If redeemed between 12 and 18 months from the date  
21 of the sale, 36% of the amount for which the property was  
22 sold;

23 (5) If redeemed between 18 and 24 months from the date  
24 of the sale, 48% of the amount for which the property was  
25 sold;

26 (6) If redeemed after 24 months from the date of sale,

1           the 48% herein provided together with interest at 6% per  
2           year thereafter.

3           If the sale occurs on or after September 9, 1993, the  
4           person redeeming shall pay interest on that part of the amount  
5           for which the property was sold equal to or less than the full  
6           amount of delinquent taxes, special assessments, penalties,  
7           interest, and costs, included in the judgment and order of sale  
8           as follows:

9                   (1) If redeemed within the first 2 months from the date  
10                   of the sale, 3% per month upon the amount of taxes, special  
11                   assessments, penalties, interest, and costs due for each of  
12                   the first 2 months, or fraction thereof.

13                   (2) If redeemed at any time between 2 and 6 months from  
14                   the date of the sale, 12% of the amount of taxes, special  
15                   assessments, penalties, interest, and costs due.

16                   (3) If redeemed at any time between 6 and 12 months  
17                   from the date of the sale, 24% of the amount of taxes,  
18                   special assessments, penalties, interest, and costs due.

19                   (4) If redeemed at any time between 12 and 18 months  
20                   from the date of the sale, 36% of the amount of taxes,  
21                   special assessments, penalties, interest, and costs due.

22                   (5) If redeemed at any time between 18 and 24 months  
23                   from the date of the sale, 48% of the amount of taxes,  
24                   special assessments, penalties, interest, and costs due.

25                   (6) If redeemed after 24 months from the date of sale,  
26                   the 48% provided for the 24 months together with interest

1 at 6% per annum thereafter on the amount of taxes, special  
2 assessments, penalties, interest, and costs due.

3 The person redeeming shall not be required to pay any  
4 interest on any part of the amount for which the property was  
5 sold that exceeds the full amount of delinquent taxes, special  
6 assessments, penalties, interest, and costs included in the  
7 judgment and order of sale.

8 Notwithstanding any other provision of this Section,  
9 except for owner-occupied single family residential units  
10 which are condominium units, cooperative units or dwellings,  
11 the amount required to be paid for redemption shall also  
12 include an amount equal to all delinquent taxes on the property  
13 which taxes were delinquent at the time of sale. The delinquent  
14 taxes shall be apportioned by the county collector among the  
15 taxing districts in which the property is situated in  
16 accordance with law. In the event that all moneys received from  
17 any sale held under this Section exceed an amount equal to all  
18 delinquent taxes on the property sold, which taxes were  
19 delinquent at the time of sale, together with all publication  
20 and other costs associated with the sale, then, upon  
21 redemption, the County Collector and the County Clerk shall  
22 apply the excess amount to the cost of redemption.

23 (g) Bidding by county or other taxing districts. Any taxing  
24 district may bid at a scavenger sale. The county board of the  
25 county in which properties offered for sale under this Section  
26 are located, or the corporate authorities of any taxing



1 district in which the property is located, may bid as trustee  
2 for all taxing districts having an interest in the taxes for  
3 the nonpayment of which the parcels are offered. The County or  
4 taxing district shall apply on the bid the unpaid taxes due  
5 upon the property and no cash need be paid. The County or other  
6 taxing district acquiring a tax sale certificate shall take all  
7 steps necessary to acquire title to the property and may manage  
8 and operate the property so acquired.

9 When a county, or other taxing district within the county,  
10 is a petitioner for a tax deed, no filing fee shall be required  
11 on the petition. The county as a tax creditor and as trustee  
12 for other tax creditors, or other taxing district within which  
13 the property is located, ~~the county~~ shall not be required to  
14 allege and prove that all taxes and special assessments which  
15 become due and payable after the sale to the county have been  
16 paid. The county or taxing district shall not be required to  
17 pay the subsequently accruing taxes or special assessments at  
18 any time. Upon the written request of the county board or its  
19 designee, the county collector shall not offer the property for  
20 sale at any tax sale subsequent to the sale of the property to  
21 the county under this Section. The lien of taxes and special  
22 assessments which become due and payable after a sale to a  
23 county shall merge in the fee title of the county, or other  
24 taxing district, on the issuance of a deed. The County or  
25 taxing district may sell the properties so acquired, or the  
26 certificate of purchase thereto, and the proceeds of the sale

1 shall be distributed to the taxing districts in proportion to  
2 their respective interests therein. The presiding officer of  
3 the county board, with the advice and consent of the County  
4 Board, may appoint some officer or person to attend scavenger  
5 sales and bid on its behalf.

6 (h) Miscellaneous provisions. In the event that the tract  
7 of land or lot sold at any such sale is not redeemed within the  
8 time permitted by law and a tax deed is issued, all moneys that  
9 may be received from the sale of properties in excess of the  
10 delinquent taxes, together with all publication and other costs  
11 associated with the sale, shall, upon petition of any  
12 interested party to the court that issued the tax deed, be  
13 distributed by the County Collector pursuant to order of the  
14 court among the persons having legal or equitable interests in  
15 the property according to the fair value of their interests in  
16 the tract or lot. Section 21-415 does not apply to properties  
17 sold under this Section. Appeals may be taken from the orders  
18 and judgments entered under this Section as in other civil  
19 cases. The remedy herein provided is in addition to other  
20 remedies for the collection of delinquent taxes.

21 (i) The changes to this Section made by this amendatory Act  
22 of the 95th General Assembly apply only to matters in which a  
23 petition for tax deed is filed on or after the effective date  
24 of this amendatory Act of the 95th General Assembly.

25 (Source: P.A. 95-477, eff. 6-1-08.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.