

# SB1737



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB1737

Introduced 2/15/2013, by Sen. Chapin Rose

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/14-41  
35 ILCS 200/21-15  
35 ILCS 200/21-20  
35 ILCS 200/21-25

Amends the Property Tax Code. Provides that, if the taxpayer is notified on or before October 1 of any year that he or she owes an arrearage of taxes due to an administrative error, then the county collector may send a separate bill for the arrearages of taxes, which may be due no sooner than 30 days after the due date for the next installment of taxes.

LRB098 06651 HLH 40661 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 14-41, 21-15, 21-20, and 21-25 as follows:

6 (35 ILCS 200/14-41)

7 Sec. 14-41. Notice and collection of arrearages of property  
8 taxes. If a taxpayer owes arrearages of taxes due to an  
9 administrative error, the county may not bill, collect, claim a  
10 lien for, or sell the arrearages of taxes for tax years earlier  
11 than the 2 most recent tax years, including the current tax  
12 year. If a taxpayer owes arrearages of taxes due to an  
13 administrative error, the county collector shall send the  
14 taxpayer, by certified mail, a notice that the arrearages of  
15 taxes are owed by the taxpayer. If the notice is mailed to the  
16 taxpayer on or before October 1 in any year, then (i) the  
17 county collector may send a separate bill for the arrearages of  
18 taxes, which may be due no sooner than 30 days after the due  
19 date for the next installment of taxes or (ii) the arrearages  
20 of taxes may ~~are to~~ be added to the tax bill for the following  
21 year, in which case the taxes ~~and~~ are due in 2 equal  
22 installments on June 1 and September 1 in the following year  
23 unless the county has adopted an accelerated method of billing

1 in which case the arrearages of taxes may be billed separately  
2 and shall be due in equal installments on the dates on which  
3 each installment of taxes is due in the following year. If the  
4 notice is mailed after October 1 in any year, then the  
5 arrearages of taxes are to be added to the tax bill for the  
6 second year after the notice and are due in 2 equal  
7 installments on June 1 and September 1 in the second year after  
8 the notice unless the county has adopted an accelerated method  
9 of billing in which case the arrearages of taxes may be billed  
10 separately and shall be due in equal installments on the dates  
11 on which each installment of taxes is due in the second year  
12 after the notice. In no event shall the due dates on the  
13 arrearages of taxes be in more than one tax year. The  
14 arrearages of taxes added to a tax bill under this Section are  
15 to be listed separately on the tax bill. "Administrative error"  
16 includes but is not limited to failure to include an extension  
17 for a taxing district on the tax bill, an error in the  
18 calculations of tax rates or extensions or any other  
19 mathematical error by the county clerk, or a defective coding  
20 by the county, but does not include a failure by the county to  
21 send a tax bill to the taxpayer, the failure by the taxpayer to  
22 notify the assessor of a change in the tax-exempt status of  
23 property, or any error concerning the assessment of the  
24 property.

25 (Source: P.A. 89-617, eff. 9-1-96.)

1 (35 ILCS 200/21-15)

2 Sec. 21-15. General tax due dates; default by mortgage  
3 lender. Except as otherwise provided in this Section or Section  
4 21-40, all property upon which the first installment of taxes  
5 remains unpaid on the later of (i) June 1 or (ii) the day after  
6 the date specified on the real estate tax bill as the first  
7 installment due date annually shall be deemed delinquent and  
8 shall bear interest after that date at the rate of 1 1/2% per  
9 month or portion thereof. Except as otherwise provided in this  
10 Section or Section 21-40, all property upon which the second  
11 installment of taxes remains due and unpaid on the later of (i)  
12 September 1 or (ii) the day after the date specified on the  
13 real estate tax bill as the second installment due date,  
14 annually, shall be deemed delinquent and shall bear interest  
15 after that date at the same interest rate. Notwithstanding any  
16 other provision of law, if a taxpayer owes an arrearage of  
17 taxes due to an administrative error, and if the county  
18 collector sends a separate bill for that arrearage as provided  
19 in Section 14-41, then any part of the arrearage of taxes that  
20 remains unpaid on the day after the due date specified on that  
21 tax bill shall be deemed delinquent and shall bear interest  
22 after that date at the rate of 1 1/2% per month or portion  
23 thereof. All interest collected shall be paid into the general  
24 fund of the county. Payment received by mail and postmarked on  
25 or before the required due date is not delinquent.

26 Property not subject to the interest charge in Section

1 9-260 or Section 9-265 shall also not be subject to the  
2 interest charge imposed by this Section until such time as the  
3 owner of the property receives actual notice of and is billed  
4 for the principal amount of back taxes due and owing.

5 If an Illinois resident who is a member of the Illinois  
6 National Guard or a reserve component of the armed forces of  
7 the United States and who has an ownership interest in property  
8 taxed under this Act is called to active duty for deployment  
9 outside the continental United States and is on active duty on  
10 the due date of any installment of taxes due under this Act, he  
11 or she shall not be deemed delinquent in the payment of the  
12 installment and no interest shall accrue or be charged as a  
13 penalty on the installment until 180 days after that member  
14 returns from active duty. To be deemed not delinquent in the  
15 payment of an installment of taxes and any interest on that  
16 installment, the reservist or guardsperson must make a  
17 reasonable effort to notify the county clerk and the county  
18 collector of his or her activation to active duty and must  
19 notify the county clerk and the county collector within 180  
20 days after his or her deactivation and provide verification of  
21 the date of his or her deactivation. An installment of property  
22 taxes on the property of any reservist or guardsperson who  
23 fails to provide timely notice and verification of deactivation  
24 to the county clerk is subject to interest and penalties as  
25 delinquent taxes under this Code from the date of deactivation.

26 Notwithstanding any other provision of law, when any unpaid

1 taxes become delinquent under this Section through the fault of  
2 the mortgage lender, (i) the interest assessed under this  
3 Section for delinquent taxes shall be charged against the  
4 mortgage lender and not the mortgagor and (ii) the mortgage  
5 lender shall pay the taxes, redeem the property and take all  
6 necessary steps to remove any liens accruing against the  
7 property because of the delinquency. In the event that more  
8 than one entity meets the definition of mortgage lender with  
9 respect to any mortgage, the interest shall be assessed against  
10 the mortgage lender responsible for servicing the mortgage.  
11 Unpaid taxes shall be deemed delinquent through the fault of  
12 the mortgage lender only if: (a) the mortgage lender has  
13 received all payments due the mortgage lender for the property  
14 being taxed under the written terms of the mortgage or  
15 promissory note secured by the mortgage, (b) the mortgage  
16 lender holds funds in escrow to pay the taxes, and (c) the  
17 funds are sufficient to pay the taxes after deducting all  
18 amounts reasonably anticipated to become due for all hazard  
19 insurance premiums and mortgage insurance premiums and any  
20 other assessments to be paid from the escrow under the terms of  
21 the mortgage. For purposes of this Section, an amount is  
22 reasonably anticipated to become due if it is payable within 12  
23 months from the time of determining the sufficiency of funds  
24 held in escrow. Unpaid taxes shall not be deemed delinquent  
25 through the fault of the mortgage lender if the mortgage lender  
26 was directed in writing by the mortgagor not to pay the

1 property taxes, or if the failure to pay the taxes when due  
2 resulted from inadequate or inaccurate parcel information  
3 provided by the mortgagor, a title or abstract company, or by  
4 the agency or unit of government assessing the tax.

5 (Source: P.A. 97-944, eff. 8-10-12.)

6 (35 ILCS 200/21-20)

7 Sec. 21-20. Due dates; accelerated billing in counties of  
8 less than 3,000,000. Except as otherwise provided in Section  
9 21-40, in counties with less than 3,000,000 inhabitants in  
10 which the accelerated method of billing and paying taxes  
11 provided for in Section 21-30 is in effect, the estimated first  
12 installment of unpaid taxes shall be deemed delinquent and  
13 shall bear interest after a date not later than June 1 annually  
14 as provided for in the ordinance or resolution of the county  
15 board adopting the accelerated method, at the rate of 1 1/2%  
16 per month or portion thereof until paid or forfeited. The  
17 second installment of unpaid taxes shall be deemed delinquent  
18 and shall bear interest after August 1 annually at the same  
19 interest rate until paid or forfeited. Payment received by mail  
20 and postmarked on or before the required due date is not  
21 delinquent. Notwithstanding any other provision of law, if a  
22 taxpayer owes an arrearage of taxes due to an administrative  
23 error, and if the county collector sends a separate bill for  
24 that arrearage as provided in Section 14-41, then any part of  
25 the arrearage of taxes that remains unpaid on the day after the

1 due date specified on that tax bill shall be deemed delinquent  
2 and shall bear interest after that date at the rate of 1 1/2%  
3 per month or portion thereof.

4 If an Illinois resident who is a member of the Illinois  
5 National Guard or a reserve component of the armed forces of  
6 the United States and who has an ownership interest in property  
7 taxed under this Act is called to active duty for deployment  
8 outside the continental United States and is on active duty on  
9 the due date of any installment of taxes due under this Act, he  
10 or she shall not be deemed delinquent in the payment of the  
11 installment and no interest shall accrue or be charged as a  
12 penalty on the installment until 180 days after that member  
13 returns from active duty. To be deemed not delinquent in the  
14 payment of an installment of taxes and any interest on that  
15 installment, the reservist or guardsperson must make a  
16 reasonable effort to notify the county clerk and the county  
17 collector of his or her activation to active duty and must  
18 notify the county clerk and the county collector within 180  
19 days after his or her deactivation and provide verification of  
20 the date of his or her deactivation. An installment of property  
21 taxes on the property of any reservist or guardsperson who  
22 fails to provide timely notice and verification of deactivation  
23 to the county clerk is subject to interest and penalties as  
24 delinquent taxes under this Code from the date of deactivation.  
25 (Source: P.A. 94-312, eff. 7-25-05.)



1 (35 ILCS 200/21-25)

2 Sec. 21-25. Due dates; accelerated billing in counties of  
3 3,000,000 or more. Except as hereinafter provided and as  
4 provided in Section 21-40, in counties with 3,000,000 or more  
5 inhabitants in which the accelerated method of billing and  
6 paying taxes provided for in Section 21-30 is in effect, the  
7 estimated first installment of unpaid taxes shall be deemed  
8 delinquent and shall bear interest after March 1 at the rate of  
9 1 1/2% per month or portion thereof until paid or forfeited.  
10 For tax year 2010, the estimated first installment of unpaid  
11 taxes shall be deemed delinquent and shall bear interest after  
12 April 1 at the rate of 1.5% per month or portion thereof until  
13 paid or forfeited. For all tax years, the second installment of  
14 unpaid taxes shall be deemed delinquent and shall bear interest  
15 after August 1 annually at the same interest rate until paid or  
16 forfeited. Notwithstanding any other provision of law, if a  
17 taxpayer owes an arrearage of taxes due to an administrative  
18 error, and if the county collector sends a separate bill for  
19 that arrearage as provided in Section 14-41, then any part of  
20 the arrearage of taxes that remains unpaid on the day after the  
21 due date specified on that tax bill shall be deemed delinquent  
22 and shall bear interest after that date at the rate of 1 1/2%  
23 per month or portion thereof.

24 If the county board elects by ordinance adopted prior to  
25 July 1 of a levy year to provide for taxes to be paid in 4  
26 installments, each installment for that levy year and each

1 subsequent year shall be deemed delinquent and shall begin to  
2 bear interest 30 days after the date specified by the ordinance  
3 for mailing bills, at the rate of 1 1/2% per month or portion  
4 thereof, until paid or forfeited.

5 Payment received by mail and postmarked on or before the  
6 required due date is not delinquent.

7 Taxes levied on homestead property in which a member of the  
8 National Guard or reserves of the armed forces of the United  
9 States who was called to active duty on or after August 1,  
10 1990, and who has an ownership interest, shall not be deemed  
11 delinquent and no interest shall accrue or be charged as a  
12 penalty on such taxes due and payable in 1991 or 1992 until one  
13 year after that member returns to civilian status.

14 If an Illinois resident who is a member of the Illinois  
15 National Guard or a reserve component of the armed forces of  
16 the United States and who has an ownership interest in property  
17 taxed under this Act is called to active duty for deployment  
18 outside the continental United States and is on active duty on  
19 the due date of any installment of taxes due under this Act, he  
20 or she shall not be deemed delinquent in the payment of the  
21 installment and no interest shall accrue or be charged as a  
22 penalty on the installment until 180 days after that member  
23 returns to civilian status. To be deemed not delinquent in the  
24 payment of an installment of taxes and any interest on that  
25 installment, the reservist or guardsperson must make a  
26 reasonable effort to notify the county clerk and the county

1 collector of his or her activation to active duty and must  
2 notify the county clerk and the county collector within 180  
3 days after his or her deactivation and provide verification of  
4 the date of his or her deactivation. An installment of property  
5 taxes on the property of any reservist or guardsperson who  
6 fails to provide timely notice and verification of deactivation  
7 to the county clerk is subject to interest and penalties as  
8 delinquent taxes under this Code from the date of deactivation.  
9 (Source: P.A. 96-1297, eff. 7-26-10.)