

SB3535



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3535

Introduced 2/14/2014, by Sen. Mike Jacobs

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-310

Amends the Property Tax Code. Provides that, when a court declares a sale in error upon application of the owner of the certificate of purchase, the court shall promptly notify the county collector in writing.

LRB098 19575 HLH 54765 b

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 Section 21-310 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,

1 board of review, board of appeals, or other county official
2 has made an error (other than an error of judgment as to
3 the value of any property),

4 (5.5) the owner of the homestead property had tendered
5 timely and full payment to the county collector that the
6 owner reasonably believed was due and owing on the
7 homestead property, and the county collector did not apply
8 the payment to the homestead property; provided that this
9 provision applies only to homeowners, not their agents or
10 third-party payors,

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

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

17 (8) the owner of the property is a reservist or
18 guardsperson who is granted an extension of his or her due
19 date under Sections 21-15, 21-20, and 21-25 of this Act.

20 (b) When, upon application of the owner of the certificate
21 of purchase only, it appears to the satisfaction of the court
22 which ordered the property sold that any of the following
23 subsections are applicable, the court shall declare the sale to
24 be a sale in error:

25 (1) A voluntary or involuntary petition under the
26 provisions of 11 U.S.C. Chapter 7, 11, 12, or 13 has been

1 filed subsequent to the tax sale and prior to the issuance
2 of the tax deed.

3 (2) The improvements upon the property sold have been
4 substantially destroyed or rendered uninhabitable or
5 otherwise unfit for occupancy subsequent to the tax sale
6 and prior to the issuance of the tax deed.

7 (3) There is an interest held by the United States in
8 the property sold which could not be extinguished by the
9 tax deed.

10 (4) The real property contains a hazardous substance,
11 hazardous waste, or underground storage tank that would
12 require cleanup or other removal under any federal, State,
13 or local law, ordinance, or regulation, only if the tax
14 purchaser purchased the property without actual knowledge
15 of the hazardous substance, hazardous waste, or
16 underground storage tank. This paragraph (4) applies only
17 if the owner of the certificate of purchase has made
18 application for a sale in error at any time before the
19 issuance of a tax deed.

20 Whenever a court declares a sale in error under this
21 subsection (b), the court shall promptly notify the county
22 collector in writing.

23 (c) When the county collector discovers, prior to the
24 expiration of the period of redemption, that a tax sale should
25 not have occurred for one or more of the reasons set forth in
26 subdivision (a)(1), (a)(2), (a)(6), or (a)(7) of this Section,

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

26 (d) If a sale is declared to be a sale in error, the county

1 clerk shall make entry in the tax judgment, sale, redemption
2 and forfeiture record, that the property was erroneously sold,
3 and the county collector shall, on demand of the owner of the
4 certificate of purchase, refund the amount paid, pay any
5 interest and costs as may be ordered under Sections 21-315
6 through 21-335, and cancel the certificate so far as it relates
7 to the property. The county collector shall deduct from the
8 accounts of the appropriate taxing bodies their pro rata
9 amounts paid.

10 (Source: P.A. 94-312, eff. 7-25-05; 94-662, eff. 1-1-06;
11 95-331, eff. 8-21-07.)