

AN ACT concerning taxes.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by changing Sections 21-15, 21-20, 21-25, 21-30, and 21-310 as follows:

(35 ILCS 200/21-15)

Sec. 21-15. General tax due dates; default by mortgage lender. Except as otherwise provided in this Section or Section 21-40, all property upon which the first installment of taxes remains unpaid on June 1 annually shall be deemed delinquent and shall bear interest after June 1 at the rate of 1 1/2% per month or portion thereof. Except as otherwise provided in this Section or Section 21-40, all property upon which the second installment of taxes remains due and unpaid on September 1, annually, shall be deemed delinquent and shall bear interest after September 1 at the same interest rate. All interest collected shall be paid into the general fund of the county. Payment received by mail and postmarked on or before the required due date is not delinquent.

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

If an Illinois resident who is a member of the Illinois National Guard or a reserve component of the armed forces of the United States and who has an ownership interest in property taxed under this Act is called to active duty for deployment outside the continental United States and is on active duty on the due date of any installment of taxes due under this Act, he or she shall not be deemed delinquent in the payment of the installment and no interest shall accrue or be charged as a

penalty on the installment until 180 ~~30~~ days after that member returns from active duty. To be deemed not delinquent in the payment of an installment of taxes and any interest on that installment, the reservist or guardsperson must make a reasonable effort to notify the county clerk and the county collector of his or her activation to active duty and must notify the county clerk and the county collector within 180 days after his or her deactivation and provide verification of the date of his or her deactivation. An installment of property taxes on the property of any reservist or guardsperson who fails to provide timely notice and verification of deactivation to the county clerk is subject to interest and penalties as delinquent taxes under this Code from the date of deactivation.

Notwithstanding any other provision of law, when any unpaid taxes become delinquent under this Section through the fault of the mortgage lender, (i) the interest assessed under this Section for delinquent taxes shall be charged against the mortgage lender and not the mortgagor and (ii) the mortgage lender shall pay the taxes, redeem the property and take all necessary steps to remove any liens accruing against the property because of the delinquency. In the event that more than one entity meets the definition of mortgage lender with respect to any mortgage, the interest shall be assessed against the mortgage lender responsible for servicing the mortgage. Unpaid taxes shall be deemed delinquent through the fault of the mortgage lender only if: (a) the mortgage lender has received all payments due the mortgage lender for the property being taxed under the written terms of the mortgage or promissory note secured by the mortgage, (b) the mortgage lender holds funds in escrow to pay the taxes, and (c) the funds are sufficient to pay the taxes after deducting all amounts reasonably anticipated to become due for all hazard insurance premiums and mortgage insurance premiums and any other assessments to be paid from the escrow under the terms of the mortgage. For purposes of this Section, an amount is reasonably anticipated to become due if it is payable within 12

months from the time of determining the sufficiency of funds held in escrow. Unpaid taxes shall not be deemed delinquent through the fault of the mortgage lender if the mortgage lender was directed in writing by the mortgagor not to pay the property taxes, or if the failure to pay the taxes when due resulted from inadequate or inaccurate parcel information provided by the mortgagor, a title or abstract company, or by the agency or unit of government assessing the tax.

(Source: P.A. 93-560, eff. 8-20-03.)

(35 ILCS 200/21-20)

Sec. 21-20. Due dates; accelerated billing in counties of less than 3,000,000. Except as otherwise provided in Section 21-40, in counties with less than 3,000,000 inhabitants in which the accelerated method of billing and paying taxes provided for in Section 21-30 is in effect, the estimated first installment of unpaid taxes shall be deemed delinquent and shall bear interest after a date not later than June 1 annually as provided for in the ordinance or resolution of the county board adopting the accelerated method, at the rate of 1 1/2% per month or portion thereof until paid or forfeited. The second installment of unpaid taxes shall be deemed delinquent and shall bear interest after August 1 annually at the same interest rate until paid or forfeited. Payment received by mail and postmarked on or before the required due date is not delinquent.

If an Illinois resident who is a member of the Illinois National Guard or a reserve component of the armed forces of the United States and who has an ownership interest in property taxed under this Act is called to active duty for deployment outside the continental United States and is on active duty on the due date of any installment of taxes due under this Act, he or she shall not be deemed delinquent in the payment of the installment and no interest shall accrue or be charged as a penalty on the installment until 180 ~~30~~ days after that member returns from active duty. To be deemed not delinquent in the

payment of an installment of taxes and any interest on that installment, the reservist or guardsperson must make a reasonable effort to notify the county clerk and the county collector of his or her activation to active duty and must notify the county clerk and the county collector within 180 days after his or her deactivation and provide verification of the date of his or her deactivation. An installment of property taxes on the property of any reservist or guardsperson who fails to provide timely notice and verification of deactivation to the county clerk is subject to interest and penalties as delinquent taxes under this Code from the date of deactivation.
(Source: P.A. 91-199, eff. 1-1-00; 91-898, eff. 7-6-00.)

(35 ILCS 200/21-25)

Sec. 21-25. Due dates; accelerated billing in counties of 3,000,000 or more. Except as hereinafter provided and as provided in Section 21-40, in counties with 3,000,000 or more inhabitants in which the accelerated method of billing and paying taxes provided for in Section 21-30 is in effect, the estimated first installment of unpaid taxes shall be deemed delinquent and shall bear interest after March 1 at the rate of 1 1/2% per month or portion thereof until paid or forfeited. The second installment of unpaid taxes shall be deemed delinquent and shall bear interest after August 1 annually at the same interest rate until paid or forfeited.

If the county board elects by ordinance adopted prior to July 1 of a levy year to provide for taxes to be paid in 4 installments, each installment for that levy year and each subsequent year shall be deemed delinquent and shall begin to bear interest 30 days after the date specified by the ordinance for mailing bills, at the rate of 1 1/2% per month or portion thereof, until paid or forfeited.

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

Taxes levied on homestead property in which a member of the National Guard or reserves of the armed forces of the United

States who was called to active duty on or after August 1, 1990, and who has an ownership interest, shall not be deemed delinquent and no interest shall accrue or be charged as a penalty on such taxes due and payable in 1991 or 1992 until one year after that member returns to civilian status.

If an Illinois resident who is a member of the Illinois National Guard or a reserve component of the armed forces of the United States and who has an ownership interest in property taxed under this Act is called to active duty for deployment outside the continental United States and is on active duty on the due date of any installment of taxes due under this Act, he or she shall not be deemed delinquent in the payment of the installment and no interest shall accrue or be charged as a penalty on the installment until 180 ~~30~~ days after that member returns to civilian status. To be deemed not delinquent in the payment of an installment of taxes and any interest on that installment, the reservist or guardsperson must make a reasonable effort to notify the county clerk and the county collector of his or her activation to active duty and must notify the county clerk and the county collector within 180 days after his or her deactivation and provide verification of the date of his or her deactivation. An installment of property taxes on the property of any reservist or guardsperson who fails to provide timely notice and verification of deactivation to the county clerk is subject to interest and penalties as delinquent taxes under this Code from the date of deactivation. (Source: P.A. 91-199, eff. 1-1-00; 91-898, eff. 7-6-00.)

(35 ILCS 200/21-30)

Sec. 21-30. Accelerated billing. Except as provided in this Section, Section 9-260, and Section 21-40, in counties with 3,000,000 or more inhabitants, by January 31 annually, estimated tax bills setting out the first installment of property taxes for the preceding year, payable in that year, shall be prepared and mailed. The first installment of taxes on the estimated tax bills shall be computed at 50% of the total

of each tax bill for the preceding year. If, prior to the preparation of the estimated tax bills, a certificate of error has been either approved by a court on or before November 30 of the preceding year or certified pursuant to Section 14-15 on or before November 30 of the preceding year, then the first installment of taxes on the estimated tax bills shall be computed at 50% of the total taxes for the preceding year as corrected by the certificate of error. By June 30 annually, actual tax bills shall be prepared and mailed. These bills shall set out total taxes due and the amount of estimated taxes billed in the first installment, and shall state the balance of taxes due for that year as represented by the sum derived from subtracting the amount of the first installment from the total taxes due for that year.

The county board may provide by ordinance, in counties with 3,000,000 or more inhabitants, for taxes to be paid in 4 installments. For the levy year for which the ordinance is first effective and each subsequent year, estimated tax bills setting out the first, second, and third installment of taxes for the preceding year, payable in that year, shall be prepared and mailed not later than the date specified by ordinance. Each installment on estimated tax bills shall be computed at 25% of the total of each tax bill for the preceding year. By the date specified in the ordinance, actual tax bills shall be prepared and mailed. These bills shall set out total taxes due and the amount of estimated taxes billed in the first, second, and third installments and shall state the balance of taxes due for that year as represented by the sum derived from subtracting the amount of the estimated installments from the total taxes due for that year.

The county board of any county with less than 3,000,000 inhabitants may, by ordinance or resolution, adopt an accelerated method of tax billing. The county board may subsequently rescind the ordinance or resolution and revert to the method otherwise provided for in this Code.

~~Taxes levied on homestead property in which a member of the~~

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

(Source: P.A. 92-475, eff. 8-23-01; 93-560, eff. 8-20-03.)

(35 ILCS 200/21-310)

Sec. 21-310. Sales in error.

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

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

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

(3) there is a double assessment,

(4) the description is void for uncertainty,

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

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

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

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

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

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

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

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

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

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

(c) When the county collector discovers, within one year after the date of sale if taxes were sold at an annual tax sale or within 180 days after the date of sale if taxes were sold at a scavenger tax sale, that a tax sale should not have occurred for one or more of the reasons set forth in subdivision (a) (1), (a) (2), (a) (6), or (a) (7) of this Section, the county collector shall notify the last known owner of the certificate of purchase by certified and regular mail, or other means reasonably calculated to provide actual notice, that the county collector intends to declare an administrative sale in error and of the reasons therefor, including documentation sufficient to establish the reason why the sale should not have occurred. The owner of the certificate of purchase may object in writing within 28 days after the date of the mailing by the county collector. If an objection is filed, the county collector shall not administratively declare a sale in error, but may apply to the circuit court for a sale in error as provided in subsection (a) of this Section. Thirty days following the receipt of notice by the last known owner of the certificate of purchase, or within a reasonable time thereafter, the county collector shall make a written declaration, based upon clear and convincing evidence, that the taxes were sold in error and shall deliver a copy thereof to the county clerk within 30 days after the date the declaration is made for entry in the tax judgment, sale, redemption, and forfeiture record pursuant to subsection (d) of this Section. The county collector shall promptly notify the last known owner of the certificate of purchase of the declaration by regular mail and shall promptly pay the amount of the tax sale, together with interest and costs as provided in Section 21-315, upon surrender of the original certificate of purchase.

(d) If a sale is declared to be a sale in error, the county clerk shall make entry in the tax judgment, sale, redemption and forfeiture record, that the property was erroneously sold, and the county collector shall, on demand of the owner of the certificate of purchase, refund the amount paid, pay any

interest and costs as may be ordered under Sections 21-315 through 21-335, and cancel the certificate so far as it relates to the property. The county collector shall deduct from the accounts of the appropriate taxing bodies their pro rata amounts paid.

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

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