

1 AN ACT in relation to taxes.

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  
11 the satisfaction of the court which ordered the property sold  
12 that any of the following subsections are applicable, the  
13 court shall declare the sale to be a sale in error:

14 (1) the property was not subject to taxation, or  
15 all or any part of the lien of taxes sold has become null  
16 and void pursuant to Section 21-95,

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

19 (3) there is a double assessment,

20 (4) the description is void for uncertainty,

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

25 (5.5) the owner of the homestead property had  
26 tendered timely and full payment to the county collector  
27 that the owner reasonably believed was due and owing on  
28 the homestead property, and the county collector did not  
29 apply the payment to the homestead property; provided  
30 that this provision applies only to homeowners, not their  
31 agents or third-party payors,

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

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

8           (b) When, upon application of the owner of the  
9 certificate of purchase only, it appears to the satisfaction  
10 of the court which ordered the property sold that any of the  
11 following subsections are applicable, the court shall declare  
12 the sale to 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  
16 issuance of the tax deed.

17           (2) The improvements upon the property sold have  
18 been 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  
22 in the property sold which could not be extinguished by  
23 the tax deed.

24           (4) The real property contains a hazardous  
25 substance, hazardous waste, or underground storage tank  
26 that would require cleanup or other removal under any  
27 federal, State, or local law, ordinance, or regulation,  
28 only if the tax purchaser purchased the property without  
29 actual knowledge of the hazardous substance, hazardous  
30 waste, or underground storage tank. This paragraph (4)  
31 applies only to tax purchases occurring after January 1,  
32 1990 and if the owner of the certificate of purchase has  
33 made application for a sale in error at any time before  
34 the issuance of a tax deed.

1       (c) When the county collector discovers through his or  
2 her own investigation, within one year after the date of sale  
3 if taxes were sold at an annual tax sale and within 180 days  
4 after the date of sale if taxes were sold at a scavenger tax  
5 sale, that a tax sale should not have occurred for one or  
6 more of the reasons set forth in this subsection (c), the  
7 county collector shall notify, in writing, by regular mail,  
8 the tax purchaser or subsequent holder of a certificate of  
9 purchase registered with the county clerk that he or she  
10 intends to declare an administrative sale in error. The tax  
11 purchaser or subsequent holder of a certificate of purchase  
12 may file written objections with supporting documentation  
13 within 21 days after the date of the mailing by the county  
14 collector. If an objection is filed, the county collector  
15 shall not administratively declare a sale in error, but shall  
16 apply to the circuit court for a sale in error as provided in  
17 subsection (a). If a sale in error is granted by the circuit  
18 court, the interest due on the funds to be refunded to the  
19 tax purchaser or subsequent holder of a certificate of  
20 purchase shall accrue up to the date of the filing of  
21 objections by the tax purchaser or subsequent holder of a  
22 certificate of purchase with the county collector. The county  
23 collector must, in order to declare a sale in error, find  
24 that:

25           (1) the property was the subject of federal  
26 forfeiture at the time of the sale;

27           (2) the property was not subject to taxation, or  
28 all or any part of the lien of taxes sold has become null  
29 and void pursuant to Section 21-95;

30           (3) the taxes or special assessments had been paid  
31 prior to the sale of the property;

32           (4) prior to the tax sale a voluntary or  
33 involuntary petition was filed by or against the legal or  
34 beneficial owner of the property requesting relief under

1       the provisions of 11 U.S.C. Chapter 7, 11, 12, or 13; or  
2               (5) the property is owned by the State of Illinois,  
3       a municipality, or a taxing district.

4       At any time after 30 days following the mailing of notice  
5       to the tax purchaser or subsequent holder of a certificate of  
6       purchase by the county collector, the county collector shall  
7       make a written finding, based upon clear and convincing  
8       evidence, that the taxes were sold in error and shall post  
9       that finding in the warrant book.

10       (d) If a sale is declared to be a sale in error, the  
11 county clerk shall make entry in the tax judgment, sale,  
12 redemption and forfeiture record, that the property was  
13 erroneously sold, and the county collector shall, on demand  
14 of the owner of the certificate of purchase, refund the  
15 amount paid, pay any interest and costs as may be ordered  
16 under Sections 21-315 through 21-335, and cancel the  
17 certificate so far as it relates to the property. The county  
18 collector shall deduct from the accounts of the appropriate  
19 taxing bodies their pro rata amounts paid.

20       (Source: P.A. 91-177, eff. 1-1-00; 91-357, eff. 7-29-99;  
21       91-924, eff. 1-1-01; 92-224, eff. 1-1-02.)

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