



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3146

Introduced 2/18/2025, by Rep. Will Guzzardi

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-90
35 ILCS 200/21-302 new
35 ILCS 200/22-10
35 ILCS 200/22-40
35 ILCS 200/22-65
765 ILCS 940/5
765 ILCS 940/30

Amends the Property Tax Code. Provides that, when the county, as trustee, files one petition for more than one delinquent tax lien or certificate, the county may request that the court issue a tax deed to the county, as trustee, without holding a judicial tax deed auction. Provides that the county shall offer the parcel for sale at a public auction within 120 days of recording the tax deed. Sets forth requirements for the county auction. Provides that any owner of property sold under any provision of the Code who sustains loss or damage by reason of the issuance of a tax deed shall have the right to recover surplus equity that was lost in the property through an award of indemnity. Amends the Mortgage Rescue Fraud Act. Provides that a distressed property conveyance contract must contain a statement that the property owner may have the right to obtain money for any equity lost if a tax deed is issued. Effective immediately.

LRB104 11225 HLH 21307 b

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 21-90, 22-10, 22-40, and 22-65 and by adding Section
6 21-302 as follows:

7 (35 ILCS 200/21-90)

8 Sec. 21-90. Purchase and sale by county; distribution of
9 proceeds.

10 (a) When any property is offered for sale under any of the
11 provisions of this Code, the county board of the county in
12 which the property is located, in its discretion, may bid, or,
13 in the case of forfeited property, may apply to purchase it or
14 otherwise acquire the tax lien or certificate in the name of
15 the county as trustee for all taxing districts having an
16 interest in the property's taxes or special assessments for
17 the nonpayment of which the property is sold. The presiding
18 officer of the county board, with the advice and consent of the
19 board, may appoint on its behalf some officer, person, or
20 entity to attend such sales, bid on tax liens or certificates,
21 and act on behalf of the county when exercising its authority
22 under this Section, with reasonable costs and fees for such
23 services paid from redemption interest and sales proceeds

1 arising from county certificates. The county shall apply on
2 the bid or purchase the unpaid taxes and special assessments
3 due upon the property. No cash need be paid. Under Sections
4 21-110, 21-115, 21-120, and 21-190, a county may bid or
5 purchase tax certificates only in the absence of other
6 bidders.

7 (b) The county, as trustee for all taxing districts having
8 an interest in the property's taxes or special assessments,
9 shall be the designated holder of all tax liens or
10 certificates that are forfeited to the State or county. No
11 cash need be paid for the forfeited tax lien or certificate.

12 (c) For any tax lien or certificate acquired under
13 subsection (a) or (b) of this Section, the county may take
14 steps necessary to acquire title to the property, including a
15 final right of first refusal or final bid at the close of any
16 public auction or judicial sale conveying title to the
17 property, and may manage and operate the property, including,
18 but not limited to, mowing of grass, removal of nuisance
19 greenery, removal of garbage, waste, debris or other
20 materials, or the demolition, repair, or remediation of unsafe
21 structures. When a county, or other taxing district within the
22 county, is a petitioner for a tax deed, no filing fee shall be
23 required. When a county or other taxing district within the
24 county is the petitioner for a tax deed, one petition may be
25 filed including all parcels that are tax delinquent within the
26 county or taxing district, and any publication made under

1 Section 22-20 of this Code may combine all such parcels within
2 a single notice. The notice may include the property ~~street~~
3 address as listed on the most recent available tax bills, if
4 available, and shall list the Property Index Number of the
5 parcels for informational purposes. The county, as tax
6 creditor and as trustee for other tax creditors, or other
7 taxing district within the county, shall not be required to
8 allege and prove that all taxes and special assessments which
9 become due and payable after the sale or forfeiture to the
10 county have been paid nor shall the county be required to pay
11 the subsequently accruing taxes or special assessments at any
12 time. The county board or its designee may prohibit the county
13 collector from including the property in the tax sale of one or
14 more subsequent years. The lien of taxes and special
15 assessments which become due and payable after a sale to a
16 county shall merge in the fee title of the county, or other
17 taxing district within the county, on the issuance of a deed.

18 The county may sell any property acquired with authority
19 provided in this Section, or assign any tax certificate to any
20 person or entity ~~party~~, including, but not limited to, taxing
21 districts, municipalities, land banks created pursuant to
22 Illinois law, or non-profit developers focused on constructing
23 affordable housing.

24 The assigned tax certificate shall be void with no further
25 rights given to the assignee, including no right to refund or
26 reimbursement, if a tax deed has not been recorded within 4

1 years after the date of the assignment unless a court extends
2 the assignment period as provided in this Section. Upon a
3 motion by the assignee, a court may toll the 4-year deadline
4 for a specified period of time if the court finds the assignee
5 is prevented from obtaining or recording a deed by injunction
6 or order of any court, by the refusal or inability of any court
7 to act upon the application for a tax deed, by a municipality's
8 refusal to issue necessary ~~transfer stamps or~~ approvals for
9 recording, or by the refusal of the clerk to execute the deed.
10 If an assigned tax certificate is void under this Section, it
11 shall be forfeited to the county and held as a valid
12 certificate of sale in the county's name pursuant to this
13 Section 21-90. The proceeds of any sale or assignment under
14 this Section, less all costs of the county incurred in the
15 acquisition, operation, maintenance, and sale of the property
16 or assignment of the tax certificate, including all costs
17 associated with county staff and overhead used to perform the
18 duties of the trustee set forth in this Section, and less any
19 surplus payments to owners, shall be distributed to the taxing
20 districts in proportion to their respective interests therein.

21 (d) When the county, as trustee, files one petition for
22 more than one delinquent tax lien or certificate, the county
23 may request, pursuant to Section 22-40, that the court issue a
24 tax deed to the county, as trustee, without holding a judicial
25 tax deed auction. If the county requests a tax deed without a
26 judicial tax deed auction, the Order for Issuance of Tax Deed

1 shall identify the total amount of delinquent taxes and
2 penalties, municipal advancements identified in Section 22-35,
3 pro rata county costs incurred pursuant to subsections (a)
4 through (c) of Section 21-90, and other posted costs for each
5 parcel conveyed, and order the county to offer each parcel for
6 sale at a public auction, as set forth in subsection (e),
7 within 120 days of recording the tax deed.

8 (e) Auctions held by a county pursuant to this Section
9 shall conform with the following requirements.

10 (1) The county or its agent shall give notice of the
11 auction with the following information:

12 (A) the Property Identification Number and Address
13 listed on the latest tax bill;

14 (B) the time and place of the auction;

15 (C) the terms of the auction; and

16 (D) the total amount of delinquent taxes and
17 penalties, municipal advancements identified in
18 Section 22-35, pro rata county costs incurred pursuant
19 to subsections (a) through (c) of Section 21-90, and
20 other posted costs.

21 The notice of auction shall be mailed via first class
22 mail to all parties at the address at which service of
23 process was made. If service of process was made in any
24 manner other than by personal service, substitute service,
25 corporate service, or government service, notice shall be
26 mailed via first class mail to all addresses included in

1 the notice served pursuant to Section 22-25. The notice
2 shall include a sworn certificate of service signed by the
3 party sending the notice attesting to the fact that the
4 notice of auction was placed in the mail at least 10
5 calendar days prior to the date of the auction. The notice
6 of auction shall be published at least 3 consecutive
7 calendar weeks (Sunday through Saturday), once in each
8 week, the first such notice to be published not more than
9 45 days prior to the auction, the last such notice to be
10 published not less than 7 days prior to the auction. If the
11 property is located in a municipality in a county with
12 less than 3,000,000 inhabitants, the county or its agent
13 shall also publish a notice in some newspaper published in
14 the municipality. If the petitioner cannot identify a
15 newspaper published in the municipality, or if the
16 property is located in a county with 3,000,000 or more
17 inhabitants, the notice shall be published in a newspaper
18 published within the county. If no newspaper is published
19 in the county, then the notice shall be published in the
20 newspaper that is published nearest the county seat of the
21 county in which the property is located. The publication
22 shall include all information included in the notice sent
23 pursuant to this Section.

24 (2) The county may establish minimum bids at any
25 auction held pursuant to this Section, not to exceed the
26 total amount of delinquent taxes and penalties, municipal

1 advancements identified in Section 22-35, pro rata county
2 costs incurred pursuant to subsections (a) through (c) of
3 Section 21-90, and other posted costs, for the auctioned
4 parcel, as identified in the Order for Issuance of Tax
5 Deed. For purposes of this section, "pro rata county costs
6 incurred pursuant to subsections (a) through (c) of
7 Section 21-90" may include costs incurred by the county in
8 filing one petition for more than one delinquent tax lien
9 or certificate and all costs related to the filing of the
10 one petition and obtaining tax deeds for the liens and
11 certificates identified in the one petition, reasonably
12 apportioned and included in the total costs for each
13 individual tax deed issued pursuant to the petition.

14 (3) If an auction is postponed, adjourned, or
15 rescheduled to occur less than 60 days after the last
16 scheduled auction, the county shall announce the date,
17 time, and place upon which the adjourned auction shall be
18 held at the time, date, and location in the notice. The
19 County is not required to send additional notice of any
20 postponed auction as provided in item (1) of subsection
21 (e) of Section 21-90. Notwithstanding any provision of law
22 to the contrary, for auctions that are conducted more than
23 60 days after the date in the required notice, the county
24 shall send notice of the adjourned auction in accordance
25 with Section item (1) of subsection (e) of Section 21-90.

26 (4) In auctions held pursuant to this Section, the

1 county, as trustee, shall have a right of first refusal or
2 final bid at the close of any public auction. The county is
3 required to pay the full amount of any county bid that
4 exceeds the credit bid prior to the disbursement of
5 surplus funds in subsection (6) of this Section.

6 (5) Failure to hold a public auction of the parcels
7 received within the 180-day period shall not affect the
8 validity of the recorded deed, the Order for Issuance of
9 Tax Deed, or otherwise affect the marketability of title.

10 (6) To the extent that the winning bid at the auction
11 exceeds the amount of the tax deed judgment as defined in
12 subsection (d) of Section 21-90, the county trustee shall
13 deposit the surplus funds with the treasurer of the county
14 in which the subject property lies within 30 days. Within
15 60 days of the auction sale, the county, as trustee, shall
16 send a notice to interested parties in the underlying
17 case, stating that the owner is entitled to a distribution
18 of surplus proceeds and may file a claim pursuant to
19 subsection (i) of Section 22-40.

20 ~~Under Sections 21-110, 21-115, 21-120, and 21-190, a~~
21 ~~county may bid or purchase only in the absence of other~~
22 ~~bidders.~~

23 (Source: P.A. 102-363, eff. 1-1-22; 103-555, eff. 1-1-24.)

24 (35 ILCS 200/21-302 new)

25 Sec. 21-302. Payments of surplus equity.

1 (a) Any owner of property sold under any provision of this
2 Code who sustains loss or damage by reason of the issuance of a
3 tax deed shall have the right to recover surplus equity that
4 was lost in the property through an award of indemnity as
5 follows:

6 (1) The claim for indemnity shall be filed not later
7 than 2 years from the date the order directing the
8 issuance of tax deed was entered, or 2 years from the
9 effective date of this amendatory Act of the 104th General
10 Assembly, whichever is earlier.

11 (2) The indemnity award shall be limited to the fair
12 cash value of the property as of the date the tax deed was
13 issued, less any mortgages or liens on the property. The
14 Court shall liberally construe this equitable entitlement
15 standard to provide compensation wherever, in the
16 discretion of the Court, the equities warrant the action.

17 (3) In determining the fair cash value of property
18 less any mortgages or liens on the property, the fair cash
19 value shall be reduced by the principal amount of all
20 taxes paid by the tax purchaser or his or her assignee
21 before the issuance of the tax deed. The court, in its
22 discretion, may order the joinder of the mortgagee or
23 lienholder as an additional party to the indemnity action.

24 (b) The provisions of the Code of Civil Procedure shall
25 apply to proceedings under the petition, except that neither
26 the petitioner nor County Treasurer shall be entitled to trial

1 by jury on the issues presented in the petition.

2 (c) Any contract involving the proceeds of a judgment for
3 indemnity under this Section, between the tax deed grantee or
4 its successors in title and the indemnity petitioner or his or
5 her successors, shall be in writing. In any action brought
6 under Section 21-305, the Collector shall be entitled to
7 discovery regarding, but not limited to, the following:

8 (1) the identity of all persons beneficially
9 interested in the contract, directly or indirectly,
10 including at least the following information: the names
11 and addresses of any natural persons; the place of
12 incorporation of any corporation and the names and
13 addresses of its shareholders unless it is publicly held;
14 the names and addresses of all general and limited
15 partners of any partnership; the names and addresses of
16 all persons having an ownership interest in any entity
17 doing business under an assumed name and the county in
18 which the assumed business name is registered; and the
19 nature and extent of the interest in the contract of each
20 person identified;

21 (2) the time period during which the contract was
22 negotiated and agreed upon, from the date of the first
23 direct or indirect contact between any of the contracting
24 parties to the date of its execution;

25 (3) the name and address of each natural person who
26 took part in negotiating the contract, and the identity

1 and relationship of the party that the person represented
2 in the negotiations; and

3 (4) the existence of an agreement for payment of
4 attorney's fees by or on behalf of each party. Any
5 information disclosed during discovery may be subject to
6 protective order as deemed appropriate by the court. The
7 terms of the contract shall not be used as evidence of
8 value.

9 (35 ILCS 200/22-10)

10 Sec. 22-10. Notice of expiration of period of redemption.
11 A purchaser or assignee shall not be entitled to a tax deed to
12 the property sold unless, not less than 3 months nor more than
13 6 months prior to the expiration of the period of redemption,
14 he or she gives notice of the sale and the date of expiration
15 of the period of redemption to the owners, occupants, the
16 municipality in which the subject property lies, or the county
17 if the property lies outside of municipal corporate
18 boundaries, and parties interested in the property, including
19 any mortgagee of record, as provided below. For counties or
20 taxing districts holding certificates pursuant to Section
21 21-90, the date of expiration of the period of redemption
22 shall be designated by the county or taxing district in its
23 petition for tax deed and identified in the notice below,
24 which shall be filed with the county clerk.

25 The Notice to be given to the parties shall be in at least

1 10-point type in the following form completely filled in:

2 TAX DEED NO. FILED

3 TAKE NOTICE

4 County of

5 Date Premises Sold or Forfeited

6 Certificate No.

7 Sold or Forfeited for General Taxes of (year)

8 Sold for Special Assessment of (Municipality)

9 and special assessment number

10 Warrant No. Inst. No.

11 THIS PROPERTY HAS BEEN SOLD FOR

12 DELINQUENT TAXES

13 Property Address (as identified on the most recent tax bill,
14 if available)

15 Legal Description or Property Index No.

16

17

18 This notice is to advise you that the above property has
19 been sold for delinquent taxes and that the period of
20 redemption from the sale will expire on

21

22 Check with the county clerk as to the exact amount you owe
23 before redeeming.

24 This notice is also to advise you that a petition has been
25 filed for a tax deed which will transfer title and the right to
26 possession of this property if redemption is not made on or

1 before

2 This matter is set for hearing in the Circuit Court of this
3 county in, Illinois on

4 You may be present at this hearing but your right to redeem
5 will already have expired at that time.

6 YOU ARE URGED TO REDEEM IMMEDIATELY

7 TO PREVENT LOSS OF PROPERTY

8 Redemption can be made at any time on or before by
9 applying to the County Clerk of, County, Illinois at the
10 Office of the County Clerk in, Illinois.

11 For further information contact the County Clerk

12 ADDRESS:.....

13 TELEPHONE AND/OR EMAIL ADDRESS:.....

14

15 Purchaser or Assignee.

16 Dated (insert date).

17 In counties with 3,000,000 or more inhabitants, the notice
18 shall also state the address, room number, and time at which
19 the matter is set for hearing.

20 The changes to this Section made by Public Act 97-557
21 apply only to matters in which a petition for tax deed is filed
22 on or after July 1, 2012 (the effective date of Public Act
23 97-557).

24 The changes to this Section made by Public Act 102-1003

1 apply to matters in which a petition for tax deed is filed on
2 or after May 27, 2022 (the effective date of Public Act
3 102-1003). Failure of any party or any public official to
4 comply with the changes made to this Section by Public Act
5 102-528 does not invalidate any tax deed issued prior to May
6 27, 2022 (the effective date of Public Act 102-1003).

7 The changes made to this Section by this amendatory Act of
8 the 103rd General Assembly apply to matters concerning tax
9 certificates issued on or after the effective date of this
10 amendatory Act of the 103rd General Assembly.

11 (Source: P.A. 102-528, eff. 1-1-22; 102-813, eff. 5-13-22;
12 102-1003, eff. 5-27-22; 103-154, eff. 6-30-23; 103-555, eff.
13 1-1-24.)

14 (35 ILCS 200/22-40)

15 Sec. 22-40. Issuance of order authorizing judicial tax
16 deed auction, confirmation and order for tax deed; possession.

17 (a) To obtain an order authorizing a judicial tax deed
18 auction and for issuance of tax deed, the petitioner must
19 provide sufficient evidence that:

20 (1) the redemption period has expired and the property
21 has not been redeemed;

22 (2) all taxes and special assessments which became due
23 and payable subsequent to the sale have been paid, unless
24 the county or its agent, as trustee pursuant to Section
25 21-90, is the petitioner;

1 (3) all forfeitures and sales which occur subsequent
2 to the sale are paid or redeemed, unless the county or its
3 agent, as trustee pursuant to Section 21-90, is the
4 petitioner;

5 (4) the notices required by law have been given, and
6 all advancements of public funds under the police power
7 made by a county, city, village, or town under Section
8 22-35 have been paid; and

9 (5) the petitioner has complied with all the
10 provisions of law entitling him or her to a deed.

11 Upon receipt of sufficient evidence of the requirements
12 under this subsection (a), the court shall find that the
13 petitioner complied with those requirements and shall enter an
14 order authorizing a judicial tax deed auction subject to the
15 requirements of this Section, or subject to the requirements
16 in Section 21-90 directing the county clerk, on the production
17 of the tax certificate and a certified copy of the order, to
18 issue to the purchaser or its assignee a tax deed. The court
19 shall insist on strict compliance with Sections ~~Section~~ 22-10
20 through 22-25. Prior to the entry of an order under this
21 Section directing the issuance of a tax deed, the petitioner
22 shall furnish the court with a report of proceedings of the
23 evidence received on the application for tax deed. Petitioner
24 shall also furnish to the court an estimate of redemption from
25 the county clerk showing the of the total taxes, penalties,
26 and costs that were required to be paid to redeem the tax sale

1 as specified in the notice required under Section 22-10. The
2 petitioner for tax deed may file a statement of (i) all taxes
3 it has paid or redeemed for the property after the expiration
4 of the redemption period, (ii) the costs paid for a court
5 reporter and transcript services, (iii) the fees paid to the
6 clerk for the estimate of redemption, (iv) all payments made
7 for municipal advancements required by Section 22-35, and (v)
8 costs incurred pursuant to subsection (c) of Section 21-90.
9 The total of the amount shown on the estimate of redemption as
10 of the last day to redeem plus (i) through (v) above, or
11 portion thereof, plus a fee of equal to the then-allowable
12 foreclosure attorney fees for Illinois as published by Fannie
13 Mae, plus the cost of publication of the judicial tax deed
14 auction, shall be identified as the tax deed judgment amount.
15 The tax deed judgment amount shall accrue interest at 0.75%
16 per month, or portion thereof, from the date of the judgment
17 until the date of judicial tax deed auction. The order for
18 judicial tax deed auction shall include such terms and
19 conditions of the auction as specified by the court ~~and the~~
20 ~~report of proceedings shall be filed and made a part of the~~
21 ~~court record.~~

22 (b) Except as provided in subsection (e) of this Section,
23 if taxes for years prior to the year or years sold are or
24 become delinquent subsequent to the date of sale, the court
25 shall find that the lien of those delinquent taxes has been or
26 will be merged into the tax deed grantee's title if the court

1 determines that the tax deed grantee or any prior holder of the
2 certificate of purchase, or any person or entity under common
3 ownership or control with any such grantee or prior holder of
4 the certificate of purchase, was at no time the holder of any
5 certificate of purchase for the years sought to be merged. If
6 delinquent taxes are merged into the tax deed pursuant to this
7 subsection, the court shall enter an order declaring which
8 specific taxes have been or will be merged into the tax deed
9 title and directing the county treasurer and county clerk to
10 reflect that declaration in the warrant and judgment records;
11 provided, that no such order shall be effective until a tax
12 deed has been issued and timely recorded. Nothing contained in
13 this Section shall relieve any owner liable for delinquent
14 property taxes under this Code from the payment of the taxes
15 that have been merged into the title upon issuance of the tax
16 deed.

17 (c) The county clerk is entitled to a fee of \$10 in
18 counties of 3,000,000 or more inhabitants and \$5 in counties
19 with less than 3,000,000 inhabitants for the issuance of the
20 tax deed, with the exception of deeds issued to the county
21 pursuant to its authority under Section 21-90. The fee paid to
22 the county clerk for the issuance of the tax deed shall be
23 accompanied by a \$300 indemnity fund fee in counties of
24 3,000,000 or more inhabitants and a \$100 indemnity fund fee in
25 counties with less than 3,000,000 inhabitants, with the
26 exception of deeds issued to the county pursuant to its

1 authority under Section 21-90. All fees received under this
2 subsection shall be paid by the county clerk to the county
3 treasurer of the county in which the land is situated for the
4 purpose of funding the county's indemnity fund established
5 under Section 21-295. ~~The clerk may not include in a tax deed~~
6 ~~more than one property as listed, assessed and sold in one~~
7 ~~description, except in cases where several properties are~~
8 ~~owned by one person.~~

9 Upon application, the court shall enter an order to place
10 the tax deed grantee or the grantee's successor in interest in
11 possession of the property and may enter orders and grant
12 relief as may be necessary or desirable to maintain the
13 grantee or the grantee's successor in interest in possession.

14 (d) The court shall retain jurisdiction to enter orders
15 pursuant to ~~subsections (b) and (c) of this Section. This~~
16 ~~amendatory Act of the 92nd General Assembly and this~~
17 ~~amendatory Act of the 95th General Assembly shall be construed~~
18 ~~as being declarative of existing law and not as a new~~
19 ~~enactment.~~

20 (e) Prior to the issuance of any order for judicial tax
21 deed auction under this Section, the petitioner must redeem
22 all taxes and special assessments on the property that are
23 subsequent to the date of its tax sale ~~subject to a pending tax~~
24 ~~petition filed by a county or its assignee pursuant to Section~~
25 ~~21-90.~~

26 (e-5) Following the expiration of the period of

1 redemption, the petitioner's payment of (i) any subsequent tax
2 and special assessment and (ii) any redemption of any sale of
3 subsequent taxes or forfeiture shall be accompanied by an
4 indemnity fund fee of 10% of the principal taxes and interest
5 paid by the petitioner under this Section. All fees received
6 under this subsection shall be paid by the collector and
7 county clerk to the county treasurer of the county in which the
8 land is situated for the purpose of funding the county's
9 indemnity fund established by Section 21-295. No fees incurred
10 under this subsection shall be posted to the subject tax sale
11 pursuant to Section 21-355.

12 (f) If, for any reason, a purchaser fails to obtain an
13 order for tax deed within the required time period and no sale
14 in error was granted or redemption paid, then the certificate
15 shall be forfeited to the county, as trustee, pursuant to
16 Section 21-90.

17 (g) Except as provided in Section 21-90, upon entry of an
18 order requiring a judicial tax deed auction under subsection
19 (a) of this Section, the property shall be offered for sale by
20 public auction and sold to the highest bidder at such an
21 auction in accordance with the following minimum standards and
22 subject to additional requirements set by the court's order:

23 (1) The tax deed petitioner, its assignee, or a duly
24 appointed private selling officer, shall give notice of
25 the auction with the following information:

26 (A) the Property Identification Number and Address

1 listed on the most recent tax bill;

2 (B) the time and place of the auction;

3 (C) the terms of the auction; and

4 (D) the amount of the tax deed judgment amount
5 provided in Section 22-40.

6 The Notice of Tax Deed Auction shall be mailed via
7 first class mail to all interested parties at the address
8 at which service of the Section 22-10 Take Notice was
9 attempted and to any parties who have appeared in the
10 proceeding. The notice shall include a sworn certificate
11 of service signed by the party sending the notice
12 attesting to the fact that the notice of auction was
13 placed in the mail at least 10 calendar days prior to the
14 date of the auction.

15 The notice of auction shall be published at least 3
16 consecutive calendar weeks (Sunday through Saturday), once
17 in each week, the first such notice to be published not
18 more than 45 days prior to the auction, the last such
19 notice to be published not less than 7 days prior to the
20 auction. If the property is located in a municipality in a
21 county with less than 3,000,000 inhabitants, the purchaser
22 or his or her assignee shall also publish a notice as to
23 the owner or party interested, in some newspaper published
24 in the municipality. If the petitioner cannot identify a
25 newspaper published in the municipality, or if the
26 property is located in a county with 3,000,000 or more

1 inhabitants, the notice shall be published in a newspaper
2 published within the county. If no newspaper is published
3 in the county, then the notice shall be published in the
4 newspaper that is published nearest the county seat of the
5 county in which the property is located. The publication
6 shall include all information included in the notice sent
7 pursuant to this Section.

8 (2) The selling officer shall start all bidding with a
9 minimum bid equal to (1) the tax deed judgment amount plus
10 interest at the rate of 0.75% per month, or portion
11 thereof, for each month since the date of judgment, (2)
12 the cost for the publication of the judicial sale required
13 in this Section; and (3) the costs of the selling officer.
14 The selling officer shall proceed to a public auction,
15 offer the real estate for sale, and sell the real estate to
16 the highest bidder. If no bidder is willing to pay the
17 minimum bid, the tax certificate holder shall be the
18 winning bidder and entitled to a tax deed, and it shall be
19 conclusively presumed that there is no equity in the
20 property.

21 (3) At the auction under this Section, the person
22 conducting the auction shall enter a bid in favor of the
23 tax certificate holder in the amount of the minimum bid
24 set forth above. Any tax deed Petitioner shall have a
25 final right of first refusal or final bid at the close of
26 the judicial tax deed judicial sale auction.

1 (4) Upon and at the conclusion of the judicial tax
2 deed auction, the person conducting the auction shall give
3 to the purchaser a receipt of sale. The receipt shall
4 describe the real estate purchased and shall show the
5 amount bid, the total amount paid to date, and the amount
6 still to be paid therefor. An additional receipt shall be
7 given at the time of each subsequent payment. Any
8 purchaser who fails to complete the sale for failure to
9 make full payment shall forfeit to the county indemnity
10 fund any deposit already made, and the court shall order a
11 new auction of the property.

12 (5) Upon payment in full of the amount bid, the person
13 conducting the sale shall issue, in duplicate, and give to
14 the purchaser a certificate of judicial tax deed sale. The
15 certificate of judicial tax deed sale shall be in a
16 recordable form, describe the real estate purchased,
17 indicate the date and place of sale and show the amount
18 paid therefor. The certificate of tax deed sale shall
19 further indicate that it is subject to confirmation by the
20 court. The certificate of sale shall be freely assignable
21 by endorsement thereon.

22 (6) To the extent that the winning bid exceeds the tax
23 deed judgment amount, the selling officer shall deposit
24 the surplus funds with the treasurer of the county in
25 which the subject property lies upon the expiration of 30
26 days following confirmation of the sale. The petitioner

1 shall send a notice to all parties entitled to the section
2 22-10 Take Notice, stating that the owner is entitled to a
3 distribution of surplus proceeds and may file a claim to
4 recover the surplus.

5 (h) Confirmation of sale; Order for Issuance of Tax Deed.

6 (1) The person conducting the sale shall promptly make
7 a report to the court that issued the order authorizing
8 the judicial tax deed auction, which report shall include
9 a copy of all receipts and, if any, certificate of
10 judicial tax deed sale.

11 (2) Upon motion and notice in accordance with court
12 rules applicable to motions generally, which motion shall
13 not be made prior to sale, the court shall conduct a
14 hearing to confirm the sale. Unless the court finds that a
15 notice required in this Section was not issued or the sale
16 was not conducted in accordance with the order for
17 judicial tax deed auction, the court shall enter an order
18 (a) confirming the judicial tax deed sale, (b) directing
19 the county clerk to issue a tax deed in the name of the
20 holder of the certificate of judicial tax deed sale once
21 presented with a certified copy of the confirmation order
22 and original certificate of judicial tax deed sale, and
23 (c) directing the selling officer to pay to the holder of
24 the tax certificate the amount of the credit bid upon
25 surrender of the tax certificate, and to pay the selling
26 officer its fees. The order for issuance of tax deed shall

1 contain the name, address, and telephone number of the
2 holder of the certificate of judicial tax sale for the
3 clerk to confirm the identity of the tax deed grantee.

4 (3) If any sale fails to comply with the requirements
5 in this Section, any party may, by motion supported by
6 affidavit made prior to confirmation of such sale, request
7 that the court which entered the judgment set aside the
8 judicial tax deed sale. Any such party shall guarantee or
9 secure by bond a bid equal to the successful bid at the
10 judicial tax deed auction. No guarantee or bond shall be
11 required if the property is residential and the party
12 seeking to set aside the sale is the owner-occupant of the
13 property at the time the motion is filed. If the court
14 denies confirmation of the judicial tax deed sale, it
15 shall order a new judicial tax deed auction. Any
16 subsequent auction is subject to the same notice
17 requirement as the original auction.

18 (4) No sale under this Section shall be held invalid
19 or be set aside because of any defect in the notice thereof
20 or in the publication of the same, or in the proceedings of
21 the officer conducting the sale.

22 (i) Order to Disburse Surplus Proceeds. Upon a filing of
23 motion by any interested party, the court hearing the
24 underlying tax case shall set a hearing to determine whether
25 an interested party is the owner of record entitled to a
26 disbursement of surplus proceeds. All interested parties in

1 the underlying case shall be notified of the motion for
2 disbursement of proceeds. Any party claiming to have an
3 ownership interest in the parcel at the time of the issuance of
4 tax deed may present evidence of ownership and request a
5 disbursement of any or all surplus proceeds. The court shall
6 issue an order directing the treasurer to disburse a specific
7 amount of surplus proceeds to specific parties, with
8 sufficient personally identifiable information to accurately
9 identify the parties entitled to disbursement.

10 (Source: P.A. 103-555, eff. 1-1-24; revised 8-5-24.)

11 (35 ILCS 200/22-65)

12 Sec. 22-65. Form of deed. A tax deed executed by the county
13 clerk under the official seal of the county shall be recorded
14 in the same manner as other conveyances of property, and vests
15 in the grantee, his or her heirs and assigns, the title of the
16 property therein described without further acknowledgment or
17 evidence of the conveyance. Tax deeds issued under this
18 Section shall not require a municipal transfer stamp or be
19 subject to any municipal real estate transfer taxes,
20 requirements or certifications prior to recording. The
21 conveyance shall be substantially in the following form:

22 State of Illinois)

23) ss.

24 County of)

25 At a public sale of property for the nonpayment of taxes,

1 held in the county above stated, on (insert date), the
2 following described property was sold: (here place description
3 of property conveyed). The property not having been redeemed
4 from the sale, and it appearing that the holder of the
5 certificate of purchase of the property has complied with the
6 laws of the State of Illinois necessary to entitle (insert
7 him, her or them) to a deed of the property: I, county
8 clerk of the county of, in consideration of the property
9 and by virtue of the statutes of the State of Illinois in such
10 cases provided, grant and convey to, his or her heirs and
11 assigns forever, the property described above.

12 Dated (insert date).

13 Signature of County Clerk

14 Seal of County of, Illinois

15 (Source: P.A. 91-357, eff. 7-29-99.)

16 Section 10. The Mortgage Rescue Fraud Act is amended by
17 changing Sections 5 and 30 as follows:

18 (765 ILCS 940/5)

19 Sec. 5. Definitions. As used in this Act:

20 "Distressed property" means residential real property
21 consisting of one to 6 family dwelling units that is in
22 foreclosure or at risk of loss due to nonpayment of taxes, or
23 whose owner is more than 30 days delinquent on any loan that is
24 secured by the property.

1 "Distressed property consultant" means any person who,
2 directly or indirectly, for compensation from the owner, makes
3 any solicitation, representation, or offer to perform or who,
4 for compensation from the owner, performs any service that the
5 person represents will in any manner do any of the following:

6 (1) stop or postpone the foreclosure sale or stop or
7 postpone the loss of the home due to nonpayment of taxes;

8 (2) obtain any forbearance from any beneficiary or
9 mortgagee, or relief with respect to a tax sale of the
10 property;

11 (3) assist the owner to exercise any right of
12 reinstatement or right of redemption;

13 (4) obtain any extension of the period within which
14 the owner may reinstate the owner's rights with respect to
15 the property;

16 (5) obtain any waiver of an acceleration clause
17 contained in any promissory note or contract secured by a
18 mortgage on a distressed property or contained in the
19 mortgage;

20 (6) assist the owner in foreclosure, loan default, or
21 post-tax sale redemption period to obtain a loan or
22 advance of funds;

23 (7) avoid or ameliorate the impairment of the owner's
24 credit resulting from the recording of a notice of default
25 or the conduct of a foreclosure sale or tax sale; or

26 (8) save the owner's residence from foreclosure or

1 save the owner from loss of home due to nonpayment of
2 taxes.

3 A "distressed property consultant" does not include any of
4 the following:

5 (1) a person or the person's authorized agent acting
6 under the express authority or written approval of the
7 Department of Housing and Urban Development;

8 (2) a person who holds or is owed an obligation
9 secured by a lien on any distressed property, or a person
10 acting under the express authorization or written approval
11 of such person, when the person performs services in
12 connection with the obligation or lien, if the obligation
13 or lien did not arise as the result of or as part of a
14 proposed distressed property conveyance;

15 (3) banks, savings banks, savings and loan
16 associations, credit unions, and insurance companies
17 organized, chartered, or holding a certificate of
18 authority to do business under the laws of this State or
19 any other state or under the laws of the United States;

20 (4) attorneys licensed in Illinois engaged in the
21 practice of law;

22 (5) a Department of Housing and Urban Development
23 approved mortgagee and any subsidiary or affiliate of
24 these persons or entities, and any agent or employee of
25 these persons or entities, while engaged in the business
26 of these persons or entities;

1 (6) a 501(c)(3) nonprofit agency or organization,
2 doing business for no less than 5 years, that offers
3 counseling or advice to an owner of a distressed property,
4 if they do not contract for services with for-profit
5 lenders or distressed property purchasers, or any person
6 who structures or plans such a transaction;

7 (7) (blank);

8 (8) licensees of the Consumer Installment Loan Act who
9 are authorized to make loans secured by real property; or

10 (9) licensees of the Real Estate License Act of 2000
11 when providing licensed activities.

12 "Distressed property purchaser" means any person who
13 solicits an owner of distressed property and acquires any
14 interest in fee in a distressed property or a beneficial
15 interest in a trust holding title to a distressed property
16 ~~while allowing the owner to possess, occupy, or retain any~~
17 ~~present or future interest in fee in the property,~~ or any
18 person who participates in a joint venture or joint enterprise
19 involving a distressed property conveyance. "Distressed
20 property purchaser" does not mean any person who acquires
21 distressed property at a short sale or any person acting in
22 participation with any person who acquires distressed property
23 at a short sale, if that person does not promise to convey an
24 interest in fee back to the owner or does not give the owner an
25 option to purchase the property at a later date.

26 "Distressed property conveyance" means a transaction in

1 which an owner of a distressed property transfers an interest
2 in fee in the distressed property or in which the holder of all
3 or some part of the beneficial interest in a trust holding
4 title to a distressed property transfers that interest;~~the~~
5 ~~acquirer of the property allows the owner of the distressed~~
6 ~~property to occupy the property; and the acquirer of the~~
7 ~~property or a person acting in participation with the acquirer~~
8 ~~of the property conveys or promises to convey an interest in~~
9 ~~fee back to the owner or gives the owner an option to purchase~~
10 ~~the property at a later date.~~

11 "Person" means any individual, partnership, corporation,
12 limited liability company, association, or other group or
13 entity, however organized.

14 "Service" means, without limitation, any of the following:

15 (1) debt, budget, or financial counseling of any type;

16 (2) receiving money for the purpose of distributing it
17 to creditors in payment or partial payment of any
18 obligation secured by a lien on a distressed property;

19 (3) contacting creditors on behalf of an owner of a
20 residence that is distressed property;

21 (4) arranging or attempting to arrange for an
22 extension of the period within which the owner of a
23 distressed property may cure the owner's default and
24 reinstate his or her obligation;

25 (5) arranging or attempting to arrange for any delay
26 or postponement of the time of sale of the distressed

1 property;

2 (6) advising the filing of any document or assisting
3 in any manner in the preparation of any document for
4 filing with any court; or

5 (7) giving any advice, explanation, or instruction to
6 an owner of a distressed property that in any manner
7 relates to the cure of a default or forfeiture or to the
8 postponement or avoidance of sale of the distressed
9 property.

10 (Source: P.A. 94-822, eff. 1-1-07; 95-691, eff. 6-1-08;
11 95-1047, eff. 4-6-09.)

12 (765 ILCS 940/30)

13 Sec. 30. Distressed property conveyance contract terms.
14 Every contract required by Section 25 must contain the entire
15 agreement of the parties, be fully assignable, and survive
16 delivery of any instrument of conveyance of the distressed
17 property. Every lease entered into pursuant to a contract
18 required by Section 25 is terminable at will by the distressed
19 property owner, without liability. Every contract required by
20 Section 25 must include the following terms:

21 (1) the name, business address, and the telephone
22 number of the distressed property purchaser;

23 (2) the address of the distressed property;

24 (3) the total consideration to be given by the
25 distressed property purchaser or tax lien payor in

1 connection with or incident to the sale;

2 (4) a complete description of the terms of payment or
3 other consideration including, but not limited to, any
4 services of any nature that the distressed property
5 purchaser represents he or she will perform for the owner
6 of the distressed property before or after the sale;

7 (5) a complete description of the terms of any related
8 agreement designed to allow the owner of the distressed
9 property to remain in the home such as a rental agreement,
10 repurchase agreement, contract for deed, or lease with
11 option to buy;

12 (6) a notice of cancellation as provided in this
13 Section;

14 (7) the following notice in at least 12-point boldface
15 type, if the contract is printed, or in capital letters,
16 if the contract is typed, and completed with the name of
17 the distressed property purchaser, immediately above the
18 statement required by this Section:

19 "NOTICE REQUIRED BY ILLINOIS LAW

20 Until your right to cancel this contract has ended,
21(Name) or anyone working for
22(Name) CANNOT ask you to sign or have
23 you sign any deed or any other document. You are urged to
24 have this contract reviewed by an attorney of your choice
25 within 5 business days of signing it."; and

26 (8) if title to the distressed property will be

1 transferred in the conveyance transaction, the following
2 notice in at least 14-point boldface type if the contract
3 is printed, or in capital letters if the contract is
4 typed, and completed with the name of the distressed
5 property purchaser, immediately above the statement
6 required by this Section:

7 "NOTICE REQUIRED BY ILLINOIS LAW

8 As part of this transaction, you are giving up title
9 to your home.".

10 (9) In the case a distressed property is at risk of
11 loss for the non-payment of real estate taxes, a statement
12 that the property owner may have the right to obtain money
13 for any equity lost if a tax deed is issued, either through
14 the right to indemnity or public auction, and will lose
15 the right to claim the surplus equity if they sell the
16 property, and should consult an attorney to discuss their
17 options before selling their property.

18 (Source: P.A. 94-822, eff. 1-1-07.)

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