

HB5075



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5075

Introduced 2/10/2026, by Rep. Curtis J. Tarver, II

SYNOPSIS AS INTRODUCED:

35 ILCS 200/22-77 new
35 ILCS 200/22-80

Amends the Property Tax Code. Provides that, within 30 days after recording of a tax deed with respect to residential property, the tax deed grantee shall pay the surplus to the previous owner of the property described in the deed. Sets forth the procedures to calculate the surplus.

LRB104 18120 HLH 31559 b

A BILL FOR

1 AN ACT concerning property.

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 22-80 and by adding Section 22-77 as follows:

6 (35 ILCS 200/22-77 new)

7 Sec. 22-77. Payment of surplus to the previous owner.

8 (a) This Section applies to tax deeds issued with respect
9 to residential property sold under this Code on or after the
10 effective date of this amendatory Act of the 104th General
11 Assembly.

12 (b) Within 30 days after recording of the tax deed, the tax
13 deed grantee shall pay the surplus to the previous owner of the
14 property described in the deed. For the purposes of this
15 Section, the surplus shall be calculated as follows:

16 (1) If the property has been sold since recording of
17 the deed, the surplus shall be equal to the amount
18 received from the sale, minus (i) the amount that would
19 have been needed to redeem the property; (ii) the amount
20 needed to pay all encumbrances on the property; and (iii)
21 an administrative fee of \$500, which may be retained by
22 the grantee to offset the costs incurred in obtaining the
23 deed; or

1 (2) If the property has not been sold since recording
2 of the deed, the surplus shall be equal to the assessed
3 value of the property on the date the tax deed was issued,
4 as determined by the chief county assessment officer,
5 minus (i) the amount that would have been needed to redeem
6 the property; (ii) the amount needed to pay all
7 encumbrances on the property; and (iii) an administrative
8 fee of \$500, which may be retained by the grantee to offset
9 the costs incurred in obtaining the deed.

10 (c) Any civil action or proceeding to enforce the
11 provisions of this Section against any person may be
12 instituted in the circuit court for the county in which the
13 property is located.

14 (35 ILCS 200/22-80)

15 Sec. 22-80. Order of court setting aside tax deed;
16 payments to holder of deed.

17 (a) Any order of court vacating an order directing the
18 county clerk to issue a tax deed based upon a finding that the
19 property was not subject to taxation or special assessment, or
20 that the taxes or special assessments had been paid prior to
21 the sale of the property, or that the tax sale was otherwise
22 void, shall declare the tax sale to be a sale in error pursuant
23 to Section 21-310 of this Act. The order shall direct the
24 county collector to refund to the tax deed grantee or his or
25 her successors and assigns (or, if a tax deed has not yet

1 issued, the holder of the certificate) the following amounts:

2 (1) all taxes and special assessments purchased, paid,
3 or redeemed by the tax purchaser or his or her assignee, or
4 by the tax deed grantee or his or her successors and
5 assigns, whether before or after entry of the order for
6 tax deed, with interest at the rate of 1% per month from
7 the date each amount was paid until the date of payment
8 pursuant to this Section;

9 (2) all costs paid and posted to the judgment record
10 and not included in paragraph (1) of this subsection (a);

11 ~~and~~

12 (3) court reporter fees for the hearing on the
13 application for tax deed and transcript thereof, cost of
14 certification of tax deed order, cost of issuance of tax
15 deed, and cost of recording of tax deed; and -

16 (4) any surplus paid by the tax deed grantee or tax
17 purchaser under Section 22-77.

18 (b) Except in those cases described in subsection (a) of
19 this Section, and unless the court on motion of the tax deed
20 petitioner extends the redemption period to a date not later
21 than 3 years from the date of sale, any order of court finding
22 that an order directing the county clerk to issue a tax deed
23 should be vacated shall direct the party who successfully
24 contested the entry of the order to pay to the tax deed grantee
25 or his or her successors and assigns (or, if a tax deed has not
26 yet issued, the holder of the certificate) within 90 days

1 after the date of the finding:

2 (1) the amount necessary to redeem the property from
3 the sale as of the last day of the period of redemption,
4 except that, if the sale is a scavenger sale pursuant to
5 Section 21-260 of this Act, the redemption amount shall
6 not include an amount equal to all delinquent taxes on
7 such property which taxes were delinquent at the time of
8 sale; and

9 (2) amounts in satisfaction of municipal liens paid by
10 the tax purchaser or his or her assignee, and the amounts
11 specified in paragraphs (1) and (3) of subsection (a) of
12 this Section, to the extent the amounts are not included
13 in paragraph (1) of this subsection (b).

14 If the payment is not made within the 90-day period, the
15 petition to vacate the order directing the county clerk to
16 issue a tax deed shall be denied with prejudice, and the order
17 directing the county clerk to issue a tax deed shall remain in
18 full force and effect. No final order vacating any order
19 directing the county clerk to issue a tax deed shall be entered
20 pursuant to this subsection (b) until the payment has been
21 made.

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