

SB3494



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3494

Introduced 2/5/2026, by Sen. Willie Preston

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-350

35 ILCS 200/22-30

Amends the Property Tax Code. In provisions concerning tax sales, provides that, for tax sales that occur on or after the effective date of the amendatory Act, the redemption period shall be 5 years (instead of 2.5 years). Provides that a tax deed grantee may file a petition in the circuit court of the county in which the property is located forcing a judicial sale of the property. Contains provisions concerning the distribution of surplus funds. Effective immediately.

LRB104 20290 HLH 33741 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 Sections 21-350 and 22-30 as follows:

6 (35 ILCS 200/21-350)

7 Sec. 21-350. Period of redemption.

8 (a) Property sold under this Code may be redeemed at any
9 time before the expiration of the redemption period ~~2.5 years~~
10 ~~from the date of sale~~, except that:

11 (1) ~~(a)~~ If on the date of sale the property is vacant
12 non-farm property or property containing an improvement
13 consisting of a structure or structures with 7 or more
14 residential units or that is commercial or industrial
15 property, it may be redeemed at any time before the
16 expiration of 1 year from the date of sale.

17 (2) ~~(b)~~ (Blank).

18 (3) ~~(c)~~ If the period of redemption has been extended
19 by the certificate holder as provided in Section 21-385 or
20 Section 22-5, the property may be redeemed on or before
21 the extended redemption date. The changes made to this
22 Section by Public Act 103-555 ~~this amendatory Act of the~~
23 ~~103rd General Assembly~~ apply to matters concerning tax

1 certificates issued on or after January 1, 2024.

2 (b) As used in this Section, "redemption period" or
3 "period of redemption" means (i) 2.5 years from the date of
4 sale if the tax sale occurred before the effective date of this
5 amendatory Act of the 104th General Assembly or (ii) 5 years
6 from the date of sale if the tax sale occurred on or after the
7 effective date of this amendatory Act of the 104th General
8 Assembly.

9 (Source: P.A. 103-555, eff. 1-1-24.)

10 (35 ILCS 200/22-30)

11 Sec. 22-30. Petition for deed. At any time within 6 months
12 but not less than 3 months prior to the expiration of the
13 redemption period for property sold pursuant to judgment and
14 order of sale under Sections 21-110 through 21-120 or 21-260
15 or otherwise acquired by the county pursuant to Section 21-90,
16 the purchaser, or the agent pursuant to Section 21-90, may
17 file a petition in the circuit court in the same proceeding in
18 which the judgment and order of sale were entered, asking that
19 the court direct the county clerk to issue a tax deed if the
20 property is not redeemed from the sale. The petition shall be
21 accompanied by the statutory filing fee.

22 Notice of filing the petition and a date for redemption,
23 after which the petitioner intends to apply for an order to
24 issue a tax deed if the taxes are not redeemed, shall be given
25 to occupants, owners and persons interested in the property as

1 part of the notice provided in Sections 22-10 through 22-25,
2 except that only one publication is required. The county clerk
3 shall be notified of the filing of the petition and any person
4 owning or interested in the property may, if he or she desires,
5 appear in the proceeding.

6 The changes to this Section made by this amendatory Act of
7 the 95th General Assembly apply only to matters in which a
8 petition for tax deed is filed on or after the effective date
9 of this amendatory Act of the 95th General Assembly.

10 The owner of the tax deed may file a petition in the
11 circuit court of the county in which the property is located
12 forcing the sale of the property in the same manner as a
13 mortgagee pursuant to Sections 15-1501 through 15-1512 of the
14 Code of Civil Procedure. Statutory provisions governing the
15 sale of tax deeds are in addition to any statutory provisions
16 governing judicial foreclosure sales.

17 The judicial sale of property under this Section shall be
18 made through an online bidding process in which bids are
19 received electronically over the Internet in a real time,
20 competitive bidding event.

21 The online sale shall be advertised through a multiple
22 listing service website regularly advertising real estate for
23 sale no later than 30 days before the date of the bidding
24 event. The property shall be sold to the highest eligible
25 bidder.

26 A seller under this Section may enter into a contract with

1 a private party to operate and advertise the bidding event and
2 to advertise the property. The contract may provide that, if
3 the property sells for more than the amount of the taxes,
4 penalties, interest and costs charged against the property,
5 the private party operating and advertising the auction and
6 advertising the property may receive up to 3% of the amount of
7 the selling price of a property that is more than the amount of
8 the taxes, penalties, interest and costs charged against the
9 property.

10 Proceeds of judicial sales under this Section shall be
11 distributed in the following order of priority:

12 (1) for payment of delinquent taxes and satisfaction
13 of existing tax liens, plus reasonable penalties,
14 interest, and fees;

15 (2) to governmental units holding a lien of record
16 against the payment, including any tax debts not giving
17 rise to the tax sale; and

18 (3) after the distributions have been made under (1)
19 and (2), to the owner of the property prior to the tax sale
20 for prompt return to the owner or the owner's heirs or
21 assigns.

22 The county collector shall notify the owner of the
23 surplus. The owner of the surplus may claim it by contacting
24 the tax collector and providing proof of ownership of the
25 parcel.

26 If the owner or the owner's heirs or assigns fail to claim

1 the surplus, or if there are multiple claims for the surplus,
2 within 120 days after the sale, the county collector shall
3 file an interpleader action in circuit court or pay the
4 surplus funds according to the tax collector's determination
5 of the priority of claims. Fees and costs incurred by the tax
6 collector related to the disbursement of the surplus,
7 including fees and costs related to an interpleader action,
8 shall be paid from the surplus funds. If the county collector
9 files an interpleader action, the court shall determine the
10 distribution of funds based upon the priority of liens filed.
11 The court shall award reasonable fees and costs from the
12 interpleaded funds. An action to require payment of surplus
13 funds is not ripe until the claim and review periods expire.

14 The failure of any person, other than the owner or the
15 owner's heirs or assigns, to file a claim for surplus funds
16 within 120 days after the sale or the filing of an interpleader
17 action, whichever is later, constitutes a waiver of interest
18 in the surplus funds, and all claims thereto are forever
19 barred. Any surplus that remains unclaimed after 120 days
20 shall be administered by the state pursuant to the provisions
21 of the Revised Uniform Unclaimed Property Act.

22 (Source: P.A. 103-555, eff. 1-1-24.)

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