

SB3513



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3513

Introduced 2/5/2026, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

35 ILCS 200/21-310
35 ILCS 516/255

Amends the Property Tax Code and the Mobile Home Local Services Tax Enforcement Act. Provides that, when the holder of the certificate of purchase is the county as trustee for taxing districts, upon request of or consent by the county as trustee, the county collector may declare an administrative sale in error at any time and for any reason. Provides that the declaration shall state the reason why the sale should not have occurred.

LRB104 18792 HLH 32235 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 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, the holder of a 5% lien
10 issued pursuant to Section 21-240, or a municipality which
11 owns or has owned the property ordered sold, it appears to the
12 satisfaction of the court which ordered the property sold that
13 any of the following subsections are applicable, the court
14 shall declare the sale to be a sale in error:

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

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

22 (3) there is a double assessment;

23 (4) the description is void for uncertainty;

1 (5) the assessor, chief county assessment officer,
2 board of review, board of appeals, or other county
3 official has made an error material to the tax certificate
4 at issue (other than an error of judgment as to the value
5 of any property), provided, however, that a sale in error
6 may not be declared upon application of the owner of the
7 certificate of purchase under this paragraph (5) if the
8 county collector provided notice in accordance with
9 Section 21-118 that the same property received a previous
10 sale in error on the same facts;

11 (5.5) the owner of the homestead property had tendered
12 timely and full payment to the county collector that the
13 owner reasonably believed was due and owing on the
14 homestead property, and the county collector did not apply
15 the payment to the homestead property; provided that this
16 provision applies only to homeowners, not their agents or
17 third-party payors;

18 (6) a voluntary or involuntary petition was filed by
19 or against the legal or beneficial owner of the property
20 requesting relief under the provisions of 11 U.S.C.
21 Chapter 7, 11, 12, or 13, and the bankruptcy case was open
22 on the date the collector's application for judgment was
23 filed pursuant to Section 21-150 or 21-155 or the date of
24 the tax sale;

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

1 or

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

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

10 (1) A voluntary or involuntary petition under the
11 provisions of 11 U.S.C. Chapter 7, 11, 12, or 13 has been
12 filed subsequent to the tax sale and prior to the issuance
13 of the tax deed, and the bankruptcy case was open on the
14 date the petition for a sale in error was filed.

15 (2) The improvements upon the property sold have been
16 substantially destroyed subsequent to the tax sale and
17 prior to the issuance of the tax deed; however, if the
18 court declares a sale in error under this paragraph (2),
19 the court may order the holder of the certificate of
20 purchase to assign the certificate to the county collector
21 if requested by the county collector. The county collector
22 may, upon request of the county, as trustee, or upon
23 request of a taxing district having an interest in the
24 taxes sold, further assign any certificate of purchase
25 received pursuant to this paragraph (2) to the county
26 acting as trustee for taxing districts pursuant to Section

1 21-90 of this Code or to the taxing district having an
2 interest in the taxes sold.

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

6 (4) The real property contains a hazardous substance,
7 hazardous waste, or underground storage tank that would
8 require cleanup or other removal under any federal, State,
9 or local law, ordinance, or regulation, only if the tax
10 purchaser purchased the property without actual knowledge
11 of the hazardous substance, hazardous waste, or
12 underground storage tank. The presence of a grease trap on
13 the property is not grounds for a sale in error under this
14 paragraph (4). This paragraph (4) applies only if the
15 owner of the certificate of purchase has made application
16 for a sale in error at any time before the issuance of a
17 tax deed. If the court declares a sale in error under this
18 paragraph (4), the court may order the holder of the
19 certificate of purchase to assign the certificate to the
20 county collector if requested by the county collector. The
21 county collector may, upon request of the county, as
22 trustee, or upon request of a taxing district having an
23 interest in the taxes sold, further assign any certificate
24 of purchase received pursuant to this paragraph (4) to the
25 county acting as trustee for taxing districts pursuant to
26 Section 21-90 of this Code or to the taxing district

1 having an interest in the taxes sold.

2 Whenever a court declares a sale in error under this
3 subsection (b), the State's attorney shall promptly notify the
4 county collector in writing.

5 (c) When the county collector discovers, prior to the
6 expiration of the period of redemption, that a tax sale should
7 not have occurred for one or more of the reasons set forth in
8 subdivision (a) (1), (a) (2), (a) (3), (a) (4), (a) (5.5), (a) (6),
9 (a) (7), or (a) (8) of this Section, the county collector shall
10 notify the last known owner of the tax certificate by
11 certified and regular mail, or other means reasonably
12 calculated to provide actual notice, that the county collector
13 intends to declare an administrative sale in error and of the
14 reasons therefor, including documentation sufficient to
15 establish the reason why the sale should not have occurred.
16 The owner of the certificate of purchase may object in writing
17 within 28 days after the date of the mailing by the county
18 collector. If an objection is filed, the county collector
19 shall not administratively declare a sale in error, but may
20 apply to the circuit court for a sale in error as provided in
21 subsection (a) of this Section. Thirty days following the
22 receipt of notice by the last known owner of the certificate of
23 purchase, or within a reasonable time thereafter, the county
24 collector shall make a written declaration, based upon clear
25 and convincing evidence, that the taxes were sold in error and
26 shall deliver a copy thereof to the county clerk within 30 days

1 after the date the declaration is made for entry in the tax
2 judgment, sale, redemption, and forfeiture record pursuant to
3 subsection (d) of this Section. The county collector shall
4 promptly notify the last known owner of the certificate of
5 purchase of the declaration by regular mail and shall, except
6 if the certificate was issued pursuant to a no-cash bid,
7 promptly pay the amount of the tax sale, together with
8 interest and costs as provided in Section 21-315, upon
9 surrender of the original certificate of purchase.

10 When the holder of the certificate of purchase is the
11 county as trustee for taxing districts, upon request of or
12 consent by the county as trustee, the county collector may
13 declare an administrative sale in error at any time and for any
14 reason. That declaration shall state the reason why the sale
15 should not have occurred.

16 (d) If a sale is declared to be a sale in error for any
17 reason set forth in Section 22-35, Section 22-50, or
18 subdivision (a) (5), (b) (2), or (b) (4) of this Section, the tax
19 certificate shall be forfeited to the county as trustee
20 pursuant to Section 21-90 of this Code, unless the county
21 collector informs the county and the county clerk in writing
22 that the tax certificate shall not be forfeited to the county
23 as trustee. The county clerk shall make entry in the tax
24 judgment, sale, redemption and forfeiture record, that the
25 property was erroneously sold and that the tax certificate is
26 forfeited to the county pursuant to Section 21-90, and the

1 county collector shall, on demand of the owner of the
2 certificate of purchase, refund the amount paid, except for
3 the nonrefundable \$80 fee paid, pursuant to Section 21-295,
4 for each item purchased at the tax sale, pay any interest and
5 costs as may be ordered under Sections 21-315 through 21-335,
6 and cancel the certificate so far as it relates to the
7 property. The county collector shall deduct from the accounts
8 of the appropriate taxing bodies their pro rata amounts paid.

9 (e) Whenever the collector declares an administrative sale
10 in error under this Section, the collector must send a copy of
11 the declaration of the administrative sale in error, and
12 documentation sufficient to establish the reason why the sale
13 should not have occurred, to the government entity responsible
14 for maintaining assessment books and property record cards for
15 the subject property. That entity must review the
16 documentation sent by the collector, make a determination as
17 to whether an update to the assessment books or property
18 record cards is necessary to prevent a recurrence of the sale
19 in error, and update the assessment books or property record
20 cards as appropriate.

21 (f) Whenever a court declares a sale in error under this
22 Section, the State's attorney must send a copy of the
23 application and order declaring the sale in error to the
24 county collector, the county clerk, and the government entity
25 responsible for maintaining the assessment books and property
26 record cards for the subject property. The collector, the

1 county clerk, and the other government entity must each review
2 the application and order sent by the State's attorney and
3 make a determination as to whether an update to its respective
4 records is necessary to prevent a recurrence of the sale in
5 error, and update its records as appropriate.

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

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

11 Section 10. The Mobile Home Local Services Tax Enforcement
12 Act is amended by changing Section 255 as follows:

13 (35 ILCS 516/255)

14 Sec. 255. Sales in error.

15 (a) When, upon application of the county collector, the
16 owner of the certificate of purchase, or a municipality that
17 owns or has owned the mobile home ordered sold, it appears to
18 the satisfaction of the court that ordered the mobile home
19 sold that any of the following subsections are applicable, the
20 court shall declare the sale to be a sale in error:

21 (1) the mobile home was not subject to taxation,

22 (1.5) the mobile home has been moved to a different
23 location,

24 (2) the taxes had been paid prior to the sale of the

1 mobile home,

2 (3) there is a double computation of the tax,

3 (4) the description is void for uncertainty,

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

8 (5.5) the owner of the mobile home had tendered timely
9 and full payment to the county collector that the owner
10 reasonably believed was due and owing on the mobile home,
11 and the county collector did not apply the payment to the
12 mobile home; provided that this provision applies only to
13 mobile home owners, not their agents or third-party
14 payors,

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

20 (7) the mobile home is owned by the United States, the
21 State of Illinois, a municipality, or a taxing district.

22 (b) When, upon application of the owner of the certificate
23 of purchase only, it appears to the satisfaction of the court
24 that ordered the mobile home sold that any of the following
25 subsections are applicable, the court shall declare the sale
26 to be a sale in error:

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

5 (2) The mobile home sold has been substantially
6 destroyed or rendered uninhabitable or otherwise unfit for
7 occupancy subsequent to the tax sale and prior to the
8 issuance of the tax certificate of title.

9 (c) When the county collector discovers, prior to the
10 expiration of the period of redemption, that a tax sale should
11 not have occurred for one or more of the reasons set forth in
12 subdivision (a) (1), (a) (2), (a) (6), or (a) (7) of this Section,
13 the county collector shall notify the last known owner of the
14 certificate of purchase by certified and regular mail, or
15 other means reasonably calculated to provide actual notice,
16 that the county collector intends to declare an administrative
17 sale in error and of the reasons therefor, including
18 documentation sufficient to establish the reason why the sale
19 should not have occurred. The owner of the certificate of
20 purchase may object in writing within 28 days after the date of
21 the mailing by the county collector. If an objection is filed,
22 the county collector shall not administratively declare a sale
23 in error, but may apply to the circuit court for a sale in
24 error as provided in subsection (a) of this Section. Thirty
25 days following the receipt of notice by the last known owner of
26 the certificate of purchase, or within a reasonable time

1 thereafter, the county collector shall make a written
2 declaration, based upon clear and convincing evidence, that
3 the taxes were sold in error and shall deliver a copy thereof
4 to the county clerk within 30 days after the date the
5 declaration is made for entry in the tax judgment, sale,
6 redemption, and forfeiture record pursuant to subsection (d)
7 of this Section. The county collector shall promptly notify
8 the last known owner of the certificate of purchase of the
9 declaration by regular mail and shall promptly pay the amount
10 of the tax sale, together with interest and costs as provided
11 in Sections 260 through 280, upon surrender of the original
12 certificate of purchase.

13 When the holder of the certificate of purchase is the
14 county as trustee for taxing districts, upon request of or
15 consent by the county as trustee, the county collector may
16 declare an administrative sale in error at any time and for any
17 reason. That declaration shall state the reason why the sale
18 should not have occurred.

19 (d) If a sale is declared to be a sale in error, the county
20 clerk shall make entry in the tax judgment, sale, redemption
21 and forfeiture record, that the mobile home was erroneously
22 sold, and the county collector shall, on demand of the owner of
23 the certificate of purchase, refund the amount paid, pay any
24 interest and costs as may be ordered under Sections 260
25 through 280, and cancel the certificate so far as it relates to
26 the mobile home. The county collector shall deduct from the

1 accounts of the appropriate taxing bodies their pro rata
2 amounts paid.

3 (Source: P.A. 98-949, eff. 8-15-14.)