



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB3940

Introduced 2/6/2026, by Sen. Celina Villanueva

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/1-21 new  
35 ILCS 200/1-22 new  
35 ILCS 200/21-90  
35 ILCS 200/21-110  
35 ILCS 200/21-115  
35 ILCS 200/21-160  
35 ILCS 200/21-190  
35 ILCS 200/21-205  
35 ILCS 200/21-215  
35 ILCS 200/21-225  
35 ILCS 200/21-302 new  
35 ILCS 200/21-305  
35 ILCS 200/21-350  
35 ILCS 200/22-5  
35 ILCS 200/22-10  
35 ILCS 200/22-40  
35 ILCS 200/22-42 new  
35 ILCS 200/22-65  
765 ILCS 940/5  
765 ILCS 940/30

Amends the Property Tax Code. Provides that a county, as trustee, may elect to acquire or sell tax delinquent property. Provides that the owner of property who sustains loss or damage by reason of the issuance of a deed at a tax deed auction shall have the right to recover surplus equity which was lost in the property through an award of indemnity. Provides that, in counties with 3,000,000 or more inhabitants, the period of redemption is 3 years from the date of sale.

LRB104 17732 HLH 31163 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, 21-110, 21-115, 21-160, 21-190, 21-205,  
6 21-215, 21-225, 21-305, 21-350, 22-5, 22-10, 22-40, and 22-65  
7 and by adding Sections 1-21, 1-22, 21-302, and 22-42 as  
8 follows:

9 (35 ILCS 200/1-21 new)

10 Sec. 1-21. Interested party. "Interested party" means any  
11 party having an interest in the property as revealed by a title  
12 examination of public records. "Interested party" does not  
13 include the holder of the benefit or burden of any easement  
14 whose interest is properly recorded, which interest shall  
15 remain unaffected by property tax enforcement proceedings.

16 (35 ILCS 200/1-22 new)

17 Sec. 1-22. Tax Sale and Tax Deed Auction.

18 (a) "Tax sale" means the transfer of a property tax lien or  
19 tax certificate in accordance with Sections 21-90, 21-145,  
20 21-205, 21- 225, 21-250, or 21-260 of this Code.

21 (b) "Tax deed auction" means the transfer of property by  
22 an auction conducted in accordance with Sections 21-90, 22-10,

1 22-40, or 22-42 of this Code.

2 (35 ILCS 200/21-90)

3 Sec. 21-90. Purchase and sale by county; distribution of  
4 proceeds.

5 (a) When any property is offered at a ~~for~~ sale under any of  
6 the provisions of this Code, the county board of the county in  
7 which the property is located, in its discretion, may bid, or,  
8 in the case of forfeited property, may apply to purchase it or  
9 otherwise acquire the tax lien or certificate in the name of  
10 the county as trustee for all taxing districts having an  
11 interest in the property's taxes or special assessments for  
12 the nonpayment of which the property is sold. The presiding  
13 officer of the county board, with the advice and consent of the  
14 board, may appoint on its behalf some officer, person, or  
15 entity to attend such sales, bid on tax liens or certificates,  
16 and act on behalf of the county when exercising its authority  
17 under this Section. The county shall apply on the bid or  
18 purchase the unpaid taxes and special assessments due upon the  
19 property. No cash need be paid.

20 (b) The county, as trustee for all taxing districts having  
21 an interest in the property's taxes or special assessments,  
22 shall be the designated holder of all tax liens or  
23 certificates that are forfeited to the State or county or  
24 otherwise acquired by the county pursuant to subsection (a) of  
25 this Section or Sections 21-190 to 21-255 of this Code. No cash

1 need be paid for any tax lien or certificate acquired by the  
2 county pursuant to subsection (a) of this Section or Section  
3 21-190 through 21-255 of this Code ~~the forfeited tax lien or~~  
4 ~~certificate.~~

5 (c) For any tax lien or certificate acquired under  
6 subsection (a) or (b) of this Section, or for any property  
7 otherwise purchased or acquired by the county pursuant to  
8 Sections 190 to 255 of this Code, the county may take steps  
9 necessary to acquire or sell title to the property and may  
10 manage and operate the property, including, but not limited  
11 to, mowing of grass, removal of nuisance greenery, removal of  
12 garbage, waste, debris or other materials, or the demolition,  
13 repair, or remediation of unsafe structures. When a county, or  
14 other taxing district within the county, is a petitioner for a  
15 tax deed, no filing fee shall be required. When a county or  
16 other taxing district within the county is the petitioner for  
17 a tax deed, one petition may be filed including all parcels  
18 that are tax delinquent within the county or taxing district,  
19 and any publication made under Section 22-20 of this Code may  
20 combine all such parcels within a single notice. The notice  
21 may include the property ~~street~~ address as listed on the most  
22 recent available tax bills, if available, and shall list the  
23 Property Index Number of the parcels for informational  
24 purposes. The county, as tax creditor and as trustee for other  
25 tax creditors, or other taxing district within the county,  
26 shall not be required to allege and prove that all taxes and

1 special assessments which become due and payable after the  
2 sale or forfeiture to the county have been paid nor shall the  
3 county be required to pay the subsequently accruing taxes or  
4 special assessments at any time. The county board or its  
5 designee may prohibit the county collector from including the  
6 property in the tax sale of one or more subsequent years. The  
7 lien of taxes and special assessments which become due and  
8 payable after a tax sale to a county shall merge in the fee  
9 title of the county, or other taxing district within the  
10 county, on the issuance of a deed.

11 The county may sell any property acquired with authority  
12 provided in this Section, or assign any tax certificate to any  
13 party, including, but not limited to, taxing districts,  
14 municipalities, land banks created pursuant to Illinois law,  
15 or non-profit developers focused on constructing affordable  
16 housing.

17 The assigned tax certificate shall be void with no further  
18 rights given to the assignee, including no right to refund or  
19 reimbursement, if a tax deed resulting from a tax deed auction  
20 has not been recorded within 4 years after the date of the  
21 assignment unless a court extends the assignment period as  
22 provided in this Section. Upon a motion by the assignee, a  
23 court may toll the 4-year deadline for a specified period of  
24 time if the court finds the assignee is prevented from  
25 obtaining or recording a deed by injunction or order of any  
26 court, by the refusal or inability of any court to act upon the

1 application for a tax deed, by a municipality's refusal to  
2 issue necessary ~~transfer stamps or~~ approvals for recording, or  
3 by the refusal of the clerk to execute the deed. If an assigned  
4 tax certificate is void under this Section, it shall be  
5 forfeited to the county and held as a valid certificate of sale  
6 in the county's name pursuant to this Section 21-90. The  
7 proceeds of any sale or assignment under this Section, less  
8 all costs of the county incurred in the acquisition,  
9 operation, maintenance, and sale of the property or assignment  
10 of the tax certificate, including all costs associated with  
11 county staff and overhead used to perform the duties of the  
12 trustee set forth in this Section, and less any surplus  
13 payments to owners, shall be distributed to the taxing  
14 districts in proportion to their respective interests therein.

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

18 (d) The county, as trustee, may elect to acquire or sell  
19 tax delinquent property under either the provisions of this  
20 Section, or under Sections 22-10, 22-40, and 22-42 of this  
21 Code.

22 (e) When the county, as trustee, files a petition for one  
23 or more delinquent tax liens or certificates, the county may  
24 request, pursuant to Section 22-40, that the court issue a tax  
25 deed to the county, as trustee, without holding a judicial tax  
26 deed auction. If the county requests a tax deed without a tax

1 deed auction pursuant to Section 22- 40 and 22-42 of this Code,  
2 the Order for Issuance of Tax Deed shall identify the total  
3 amount of delinquent taxes and penalties, municipal  
4 advancements identified in Section 22-35, pro rata county  
5 costs incurred pursuant to subsections (a) through (c) of  
6 Section 21-90, and other posted costs for each parcel  
7 conveyed. This judgment amount shall be considered the amount  
8 for which the county, as trustee, has purchased the property.  
9 The Order for Issuance of Tax Deed shall also include an order  
10 for the county to offer each parcel purchased by the county in  
11 this manner for sale at a public tax deed auction, as set forth  
12 in subsection (f) of this Section, within 120 days of  
13 recording the tax deed. The purpose of the public tax deed  
14 auction as set forth in subsection (f) of this Section is to  
15 determine whether and to what extent there are surplus funds  
16 owed by the county, as trustee, to the former owner that exceed  
17 the judgment amount indicated in the Order for Issuance of Tax  
18 Deed. If no party bids more than this amount at the public tax  
19 deed auction described in subsection (f) of Section 21-90,  
20 then the purchase price will be recorded as the amount the  
21 county, as trustee, paid for the property as reflected in the  
22 Order for Issuance of Tax Deed, and there are no surplus funds  
23 owed to the former owner.

24 (f) County Tax Deed Auctions. Tax deed auctions held by  
25 the county pursuant to this Section shall conform with the  
26 following requirements.

1           (1) Notice. The county or its agent shall give notice  
2 of the tax deed auction with the following information:

3           (i) the Property Identification Number and  
4 property address listed on the latest tax bill;

5           (ii) the time and place of the auction;

6           (iii) the terms of the auction; and

7           (iv) the total amount of delinquent taxes and  
8 penalties, municipal advancements identified in  
9 Section 22-35, pro rata county costs incurred pursuant  
10 to subsections (a) through (c) of Section 21-90, and  
11 other posted costs.

12           In counties with 3,000,000 or more inhabitants, the  
13 notice of tax deed auction shall be in clear and concise  
14 language, together with a notice in Spanish, Polish, and  
15 Mandarin Chinese, stating that the notice of tax deed  
16 auction affects important legal rights and should be  
17 translated immediately. The notice of tax deed auction  
18 shall be mailed via first class mail to all interested  
19 parties, and via first class mail and certified mail to  
20 the owner of the property at the time the tax deed was  
21 issued, at the address(es) at which service of process was  
22 made. If service of process was made in any manner other  
23 than personal service, substitute service, corporate  
24 service, or government service, notice shall be mailed via  
25 first class mail to all addresses included in the notice  
26 served pursuant to Section 22-25. The notice shall include

1 a sworn certificate of service signed by the party sending  
2 the notice attesting to the fact that the notice of tax  
3 deed auction was placed in the mail at least 21 calendar  
4 days prior to the date of the auction. The notice of tax  
5 deed auction shall be published at least 3 consecutive  
6 calendar weeks (Sunday through Saturday), once in each  
7 week, the first such notice to be published not more than  
8 45 days prior to the tax deed auction, the last such notice  
9 to be published not less than 7 days prior to the auction.  
10 If the property is located in a municipality in a county  
11 with less than 3,000,000 inhabitants, all parcels may be  
12 contained within a single notice, or if the property is  
13 located in a county with 3,000,000 or more inhabitants,  
14 the notice shall be published in a newspaper published  
15 within the county. The publication shall include all  
16 information included in the notice sent pursuant to this  
17 Section. At least 21 days prior to the date of the auction,  
18 the county or its agent must post on its website a list of  
19 all properties that are to be offered for sale at the tax  
20 deed auction and the other information contained in the  
21 notice of tax deed auction. The person conducting the  
22 auction may engage in activities to promote and market the  
23 sale to encourage and facilitate bidding, including  
24 listing the property on the county's or its agent's  
25 website, other real estate websites, and conducting email  
26 campaigns.

1           (2) Minimum Bid. The county shall establish minimum  
2           bids at any tax deed auction held pursuant to this  
3           Section, that shall equal the total amount of delinquent  
4           taxes and penalties, municipal advancements identified in  
5           Section 22-35, pro rata county costs incurred pursuant to  
6           subsections (a) through (c) of Section 21-90(a)-(c), and  
7           other posted costs, for the auctioned parcel, as  
8           identified in the Order for Issuance of Tax Deed. In  
9           counties with less than 3,000,000 inhabitants, the county  
10           may establish minimum bids at any tax deed auction held  
11           pursuant to this Section, that may equal the total amount  
12           of delinquent taxes and penalties, municipal advancements  
13           identified in Section 22-35, pro rata county costs  
14           incurred pursuant to subsections (a) through (c) of  
15           Section 21-90, and other posted costs, for the auctioned  
16           parcel, as identified in the Order for Issuance of Tax  
17           Deed. As used in this Section, "pro rata county costs" may  
18           include costs incurred by the county in filing one  
19           petition for more than one delinquent tax lien or  
20           certificate, and all costs related to the filing of the  
21           one petition and obtaining tax deeds for the liens and  
22           certificates identified in the one petition, reasonably  
23           apportioned and included in the total costs for each  
24           individual tax deed issued pursuant to the petition.

25           (3) Adjournment. If a tax deed auction is postponed,  
26           adjourned, or re-scheduled to occur less than 60 days

1 after the last scheduled auction, the county shall  
2 announce the date, time and place upon which the adjourned  
3 tax deed auction shall be held at the time, date, and  
4 location in the notice. At a minimum, this announcement  
5 shall be posted on the website of the county, as trustee,  
6 or the county treasurer in the same location where the  
7 county posted the list of all properties that are to be  
8 sold at the auction as required in paragraph (1) of  
9 subsection (f) of Section 21-90. The County is not  
10 required to send additional notice of any postponed tax  
11 deed auction as provided in paragraph (1) of subsection  
12 (f) of Section 21-90. Notwithstanding any language to the  
13 contrary, for tax deed auctions that are conducted more  
14 than 60 days after the date in the required notice, the  
15 county shall send notice of the adjourned tax deed auction  
16 in accordance with paragraph (1) of subsection (f) of  
17 Section 21-90.

18 (4) Payment for Winning Bid. The county shall  
19 participate in a public tax deed auction in the same  
20 manner as any other bidder. No matter the terms of the tax  
21 deed auction prescribed by the county, if the county is  
22 the winning bidder it is required to pay the full amount of  
23 any county bid that exceeds the credit bid prior to the  
24 deposit of surplus funds with the treasurer of the county  
25 as set forth in paragraph (6) of this Section.

26 (5) Marketability of Title. Failure to hold a public

1 tax deed auction of the parcels received within the  
2 180-day period shall not affect the validity of the  
3 recorded deed, the Order for Issuance of Tax Deed, or  
4 otherwise affect the marketability of title, but the  
5 county is prohibited from transferring such parcels or  
6 assigning the recorded deed without holding a public tax  
7 deed auction pursuant to Section 21-90(f) or a judicial  
8 tax deed auction pursuant to Section 22-40.

9 (6) Disbursement of Surplus Funds. To the extent that  
10 the winning bid at the tax deed auction exceeds the amount  
11 of the tax deed judgment as defined in subsection (e) of  
12 Section 21-90, within 30 days of the auction sale the  
13 county trustee shall deposit the surplus funds with the  
14 treasurer of the county in which the subject property  
15 lies. Within 60 days of the tax deed auction at which the  
16 property was purchased, the county, as trustee, shall send  
17 a notice to interested parties in the underlying case,  
18 stating that the owner is entitled to a distribution of  
19 surplus proceeds and may file a claim pursuant to  
20 subsection (i) of Section 22-40 of the Property Tax Code.  
21 In counties with 3,000,000 or more inhabitants, the notice  
22 shall be in clear and concise language, together with a  
23 notice in Spanish, Polish, and Mandarin Chinese, stating  
24 that the notice affects important legal rights and should  
25 be translated immediately.

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

1 (35 ILCS 200/21-110)

2 Sec. 21-110. Published notice of annual application for  
3 judgment and sale; delinquent taxes. At any time after all  
4 taxes have become delinquent in any year, the Collector shall  
5 publish an advertisement, giving notice of the intended  
6 application for judgment and tax sale of the delinquent  
7 properties. The advertisement may include the ~~street~~ address  
8 on file with the county collector, if available, and shall  
9 include the PIN number of each delinquent property. If the  
10 county has provided notice to the Collector of its intent to  
11 acquire property offered at an annual tax sale in the manner  
12 described in subsection (b) of Section 21-190, the  
13 advertisement shall indicate which properties the county  
14 intends to acquire next to the PIN number and address, if any,  
15 listed in the advertisement. If the county has indicated its  
16 intent or is required to acquire all properties offered at  
17 such a tax sale in accordance with subsection (b) or (c) of  
18 Section 21-190, a sentence indicating such shall precede the  
19 list of PIN numbers and addresses in the advertisement in  
20 clear, bolded language. Except as provided below, the  
21 advertisement shall be in a newspaper published in the  
22 township or road district in which the properties are located.  
23 If there is no newspaper published in the township or road  
24 district, then the notice shall be published in some newspaper  
25 in the same county as the township or road district, to be

1 selected by the county collector. When the property is in a  
2 city with more than 1,000,000 inhabitants, the advertisement  
3 may be in any newspaper published in the same county. When the  
4 property is in an incorporated town which has superseded a  
5 civil township, the advertisement shall be in a newspaper  
6 published in the incorporated town or if there is no such  
7 newspaper, then in a newspaper published in the county.

8 The provisions of this Section relating to the time when  
9 the Collector shall advertise intended application for  
10 judgment for sale are subject to modification by the governing  
11 authority of a county in accordance with the provisions of  
12 subsection (c) of Section 21-40.

13 (Source: P.A. 97-557, eff. 7-1-12.)

14 (35 ILCS 200/21-115)

15 Sec. 21-115. Times of publication of notice. The  
16 advertisement shall be published once at least 10 days before  
17 the day on which judgment is to be applied for, and shall  
18 contain a list of the delinquent properties upon which the  
19 taxes or any part thereof remain due and unpaid, the names of  
20 owners, if known, the total amount due, ~~and~~ the year or years  
21 for which they are due, and whether the county intends to  
22 purchase the property in accordance with subsections (b) or  
23 (c) of Section 21-190 if a judgment is entered against the  
24 property. In counties of less than 3,000,000 inhabitants,  
25 advertisement shall include notice of the registration

1 requirement for persons bidding at the sale. Properties upon  
2 which taxes have been paid in full under protest shall not be  
3 included in the list.

4 The collector shall give notice that he or she will apply  
5 to the circuit court on a specified day for judgment against  
6 the properties for the taxes, and costs, and for an order for a  
7 tax sale of ~~to sell~~ the properties for the satisfaction of the  
8 amount due.

9 The collector shall also give notice of a date within the  
10 next 5 business days after the date of application on which all  
11 the properties for the tax sale of which an order is made will  
12 either sold to the county in accordance with subsections (b)  
13 or (c) of Section 21-190, or be exposed to public tax sale at a  
14 location within the county designated by the county collector,  
15 for the amount of taxes, and cost due. The advertisement  
16 published according to the provisions of this Section shall be  
17 deemed to be sufficient notice of the intended application for  
18 judgment and of a tax sale ~~the sale of properties~~ under the  
19 order of the court. A county with fewer than 3,000,000  
20 inhabitants may, by joint agreement, combine its tax sale with  
21 the tax sale of one or more other contiguous counties; such a  
22 joint tax sale shall be held at a location in one of the  
23 participating counties. Notwithstanding the provisions of this  
24 Section and Section 21-110, in the 10 years following the  
25 completion of a general reassessment of property in any county  
26 with 3,000,000 or more inhabitants, made under an order of the

1 Department, the publication shall be made not sooner than 10  
2 days nor more than 90 days after the date when all unpaid taxes  
3 on property have become delinquent.

4 (Source: P.A. 101-379, eff. 1-1-20.)

5 (35 ILCS 200/21-160)

6 Sec. 21-160. Annual tax judgment, sale, redemption, and  
7 forfeiture record. The collector shall transcribe into a  
8 record prepared for that purpose, and known as the annual tax  
9 judgment, tax sale, redemption and forfeiture record, the list  
10 of delinquent properties. On or before the day on which  
11 application for judgment is to be made, the record shall be  
12 made out in numerical order and contain all the information  
13 necessary to be recorded.

14 The record shall set forth the name of the owner, if known;  
15 the description of the property; the year or years for which  
16 the tax or, in counties with 3,000,000 or more inhabitants,  
17 the tax or special assessments ~~is~~ due; the valuation on which  
18 the tax is extended; the amount of the consolidated and other  
19 taxes or in counties with 3,000,000 or more inhabitants, the  
20 consolidated and other taxes and special assessments; the  
21 costs; and the total amount of charges against the property.

22 The final record shall also be ruled in columns, to show in  
23 counties with 3,000,000 or more inhabitants the withdrawal of  
24 any special assessments from collection and in all counties to  
25 show the amount paid before entry of judgment; the amount of

1 judgment and a column for remarks; the amount paid before sale  
2 and after entry of judgment; the amount of the sale; amount of  
3 interest or penalty; amount of cost; amount forfeited to the  
4 State; date of sale; acres or part sold; name of purchaser;  
5 amount of sale and penalty; taxes of succeeding years;  
6 interest and when paid, interest and cost; total amount of  
7 redemption; date of redemption; when deed executed; by whom  
8 redeemed; and a column for remarks or receipt of redemption  
9 money.

10 The final record shall be kept in the office of the county  
11 clerk.

12 (Source: P.A. 95-269, eff. 8-17-07.)

13 (35 ILCS 200/21-190)

14 Sec. 21-190. Entry of judgment for tax sale.

15 (a) If judgment is rendered against any property for any  
16 tax or, in counties with 3,000,000 or more inhabitants, for  
17 any tax or special assessment, the county collector shall,  
18 after publishing a notice for sale in compliance with the  
19 requirements of Sections 21-110, ~~and~~ 21-115, or 21-120,  
20 proceed to conduct a tax sale ~~offer the property for sale~~  
21 pursuant to the judgment. However, in the case of an appeal  
22 from the judgment, if the party, when filing notice of appeal  
23 deposits with the county collector the amount of the judgment  
24 and costs, the collector shall not conduct a tax sale ~~sell the~~  
25 ~~property~~ until the appeal is disposed of.

1       (b) In counties with fewer than 3,000,000 inhabitants, a  
2 county board may, in its discretion, submit to the Collector a  
3 list of any properties for which an application for judgment  
4 has been made pursuant to Section 21-155 of this Code. The  
5 county's submission of this list shall be considered its offer  
6 to purchase the property or properties included on this list  
7 at the tax sale, pursuant to the County's authority in Section  
8 21-90(a) of this Code, so long as a judgment and order for tax  
9 sale is entered for the property in accordance with Sections  
10 21-175 and 21-180 of this Code. Such list shall be submitted to  
11 the county collector at least 10 days prior to the publication  
12 of any notice for tax sale required in subsection (a) of this  
13 Section and in compliance with Sections 21-110 and 21-115 and  
14 21-120 of this Code.

15       (c) In counties with 3,000,000 or more inhabitants, for  
16 the first three tax sales conducted after the effective date  
17 of this Act, the county may exercise its authority in Section  
18 21-90(a) of this Code and offer to purchase or otherwise  
19 acquire for the total amount due all properties offered at a  
20 tax sale conducted pursuant to a judgment and order for tax  
21 sale issued in accordance with Sections 21-175 and 21-180 of  
22 this Code. For the fourth tax sale and all subsequent tax sales  
23 conducted after the effective date of this Act, the county  
24 shall exercise its authority in Section subsection (a) of  
25 Section 21-90 of this Code and offer to purchase or otherwise  
26 acquire for the total amount due all properties offered at a

1 tax sale conducted pursuant to a judgment and order for tax  
2 sale issued in accordance with Sections 21-175 and 21-180 of  
3 this Code.

4 (Source: P.A. 79-451; 88-455.)

5 (35 ILCS 200/21-205)

6 Sec. 21-205. Tax sale procedures.

7 (a) The collector, in person or by deputy, shall attend,  
8 on the day and in the place specified in the notice for the tax  
9 sale ~~sale of property for taxes~~, and shall, between 9:00 a.m.  
10 and 4:00 p.m., or later at the collector's discretion, proceed  
11 to offer for sale, separately and in consecutive order, all  
12 property in the list on which the taxes, special assessments,  
13 interest or costs have not been paid. However, in any county  
14 with 3,000,000 or more inhabitants, the offer for sale shall  
15 be made between 8:00 a.m. and 8:00 p.m. The collector's office  
16 shall be kept open during all hours in which the sale is in  
17 progress. The tax sale shall be continued from day to day,  
18 until all property in the delinquent list has been offered for  
19 sale. However, any city, village or incorporated town  
20 interested in the collection of any tax or special assessment,  
21 may, in default of bidders, withdraw from collection the  
22 special assessment levied against any property by the  
23 corporate authorities of the city, village or incorporated  
24 town. In case of a withdrawal, there shall be no sale of that  
25 property on account of the delinquent special assessment

1 thereon.

2 (b) Until January 1, 2013, in every tax sale of property  
3 pursuant to the provisions of this Code, the collector may  
4 employ any automated means that the collector deems  
5 appropriate. Beginning on January 1, 2013, either (i) the  
6 collector shall employ an automated bidding system that is  
7 programmed to accept the lowest redemption price bid by an  
8 eligible tax purchaser, subject to the penalty percentage  
9 limitation set forth in Section 21-215, or (ii) all tax sales  
10 shall be digitally recorded with video and audio. All bidders  
11 are required to personally attend the tax sale and, if  
12 automated means are used, all hardware and software used with  
13 respect to those automated means must be certified by the  
14 Department and re-certified by the Department every 5 years.  
15 If the tax sales are digitally recorded and no automated  
16 bidding system is used, then the recordings shall be  
17 maintained by the collector for a period of at least 3 years  
18 from the date of the tax sale. The changes made by this  
19 amendatory Act of the 94th General Assembly are declarative of  
20 existing law.

21 (b-5) For any annual tax sale conducted on or after the  
22 effective date of this amendatory Act of the 102nd General  
23 Assembly, each county collector in a county with 275,000 or  
24 more inhabitants shall adopt a single bidder rule sufficient  
25 to prohibit a tax purchaser from registering more than one  
26 related bidding entity at the tax sale. The corporate

1 authorities in any county with less than 275,000 inhabitants  
2 may, by ordinance, allow the county collector of that county  
3 to adopt such a single bidder rule. In any county that has  
4 adopted a single bidder rule under this subsection (b-5), the  
5 county treasurer shall include a representation and warranty  
6 form in each registration package attesting to compliance with  
7 the single bidder rule, except that the county may, by  
8 ordinance, opt out of this representation and warranty form  
9 requirement. A single bidder rule under this subsection may be  
10 in the following form:

11 (1) A registered tax buying entity (principal) may  
12 only have one registered buyer at the tax sale and may not  
13 have a related bidding entity directly or indirectly  
14 register as a buyer or participate in the tax sale. A  
15 registered tax buying entity may not engage in any  
16 multiple bidding strategy for the purpose of having more  
17 than one related bidding entity submit bids at the tax  
18 sale.

19 (2) A related bidding entity is defined as any  
20 individual, corporation, partnership, joint venture,  
21 limited liability company, business organization, or other  
22 entity that has a shareholder, partner, principal,  
23 officer, general partner, or other person or entity having  
24 (i) an ownership interest in a bidding entity in common  
25 with any other registered participant in the tax sale or  
26 (ii) a common guarantor in connection with a source of

1 financing with any other registered participant in the tax  
2 sale. The determination of whether registered entities are  
3 related so as to prohibit those entities from submitting  
4 duplicate bids in violation of the single bidder rule is  
5 at the sole and exclusive discretion of the county  
6 treasurer or his or her designated representatives.

7 (c) County collectors may, when applicable, eject tax  
8 bidders who disrupt the tax sale or use illegal bid practices.

9 (d) Any property to be acquired by a county in the manner  
10 described in subsections (b) or (c) of Section 21-190 shall  
11 not be offered for sale in the manner detailed in subsections  
12 (a) through (c) of this Section. Instead, all such property  
13 shall be sold to the county for the total amount due on the day  
14 of the scheduled tax sale in whatever manner is deemed most  
15 expedient and efficient by the collector's office. For any  
16 properties acquired by the county as described in subsections  
17 (b) or (c) of Section 21- 190 that are subsequently sold at a  
18 tax deed auction in accordance with this Code, any amounts  
19 generated in cash from such tax deed auction shall be  
20 distributed to taxing districts in the manner described in  
21 Sections 21-90(c) and 22-42(3).

22 (Source: P.A. 102-519, eff. 8-20-21.)

23 (35 ILCS 200/21-215)

24 Sec. 21-215. Penalty bids.

25 (a) Subject to subsection (b) of this Section, the ~~The~~

1 person at the sale offering to pay the amount due on each  
2 property for the least penalty percentage shall be the  
3 purchaser of that property. No bid shall be accepted for a  
4 penalty exceeding 9% of the amount of the tax or special  
5 assessment on property.

6 (b) Where the county offers to purchase property for the  
7 amount due in accordance with subsections (b) and (c) of  
8 Section 21-190, the county shall be the purchaser of the  
9 property notwithstanding any other offer. Subject to a payment  
10 plan implemented by the county clerk in accordance with  
11 subsection (d) of Section 21-385, the penalty for any property  
12 purchased by the county in this manner shall be 9% of the  
13 amount of the tax or special assessment on property.

14 (Source: P.A. 102-363, eff. 1-1-22.)

15 (35 ILCS 200/21-225)

16 Sec. 21-225. Forfeited tax liens and certificates. Every  
17 tax lien or certificate for property offered at public tax  
18 sale, and not sold for want of bidders, unless it is released  
19 from tax sale by the withdrawal from collection of a special  
20 assessment levied thereon, shall be forfeited to the county,  
21 as trustee for the taxing districts, and managed pursuant to  
22 Section 21-90. Tax certificates are also forfeited to the  
23 county in those circumstances described in subsection (d) of  
24 Section 21-310 and subsection (f) of Section 22-40 of this  
25 Code.

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

2 (35 ILCS 200/21-302 new)

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

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

9 (1) For tax deeds ordered by the court prior to the  
10 effective date of this Act, the claim for an indemnity  
11 award shall be filed not later than two years from the date  
12 the order directing the issuance of tax deed was entered,  
13 or two years from the effective date of this Act,  
14 whichever is earlier.

15 (2) For outstanding tax certificates issued prior to  
16 the effective date of this Act, the claim for an indemnity  
17 award shall be filed not later than two years from the date  
18 the order directing the issuance of tax deed was entered.

19 (3) The indemnity award shall be limited to the fair  
20 cash value of the property as of the date the tax deed was  
21 issued less any mortgages or liens on the property. The  
22 Court shall liberally construe this equitable entitlement  
23 standard to provide compensation wherever, in the  
24 discretion of the Court, the equities warrant the action.

25 (4) In determining the fair cash value of property

1 less any mortgages or liens on the property, the fair cash  
2 value shall be reduced by the principal amount of all  
3 taxes paid by the tax purchaser or his or her assignee  
4 before the issuance of the tax deed, or if the tax  
5 certificate was acquired pursuant to Section 21-90, the  
6 fair market value shall be reduced by the principal amount  
7 of all taxes for the tax years included in the  
8 certificate, plus the principal amount of subsequent,  
9 forfeited, or sold taxes excluded from payment or  
10 redemption under Section 20-40(a)(2)-(3) when the county  
11 or its agent, as trustee pursuant to Section 21-90, is the  
12 tax deed petitioner. The court, in its discretion, may  
13 order the joinder of the mortgagee or lienholder as an  
14 additional party to the indemnity action.

15 (b) The provisions of the Code of Civil Procedure shall  
16 apply to proceedings under the petition, except that neither  
17 the petitioner nor County Treasurer shall be entitled to trial  
18 by jury on the issues presented in the petition.

19 (1) Any person claiming indemnity hereunder shall  
20 petition the Court which ordered the tax deed to issue,  
21 shall name the County Treasurer, as Trustee of the  
22 indemnity fund, as defendant to the petition, and shall  
23 ask that judgment be entered against the County Treasurer,  
24 as Trustee, in the amount of the indemnity sought.

25 (2) The County Treasurer, as Trustee of the indemnity  
26 fund, shall be subrogated to all parties in whose favor

1 judgment may be rendered against him or her, and by third  
2 party complaint may bring in as a defendant any person,  
3 other than the tax deed grantee and its successors in  
4 title, not a party to the action who is or may be liable to  
5 him or her, as subrogee, for all or part of the  
6 petitioner's claim against him or her.

7 (c) Any contract involving the proceeds of a judgment for  
8 indemnity under this Section, between the tax deed grantee or  
9 its successors in title and the indemnity petitioner or his or  
10 her successors, shall be in writing. In any action brought  
11 under Section 21-302, the Collector shall be entitled to  
12 discovery regarding, but not limited to, the following:

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

26 (2) the time period during which the contract was

1 negotiated and agreed upon, from the date of the first  
2 direct or indirect contact between any of the contracting  
3 parties to the date of its execution;

4 (3) the name and address of each natural person who  
5 took part in negotiating the contract, and the identity  
6 and relationship of the party that the person represented  
7 in the negotiations; and

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

14 (35 ILCS 200/21-305)

15 Sec. 21-305. Payments from Indemnity Fund.

16 (a) Any owner of property sold under any provision of this  
17 Code who sustains loss or damage by reason of the issuance of a  
18 tax deed under Section 21-445 or 22-40 and who is barred or is  
19 in any way precluded from bringing an action for the recovery  
20 of the property shall have the right to indemnity for the loss  
21 or damage sustained, limited as follows:

22 (1) An owner who resided on property that contained 4  
23 or less dwelling units on the last day of the period of  
24 redemption and who is equitably entitled to compensation  
25 for the loss or damage sustained has the right to

1 indemnity. An equitable indemnity award shall be limited  
2 to the fair cash value of the property as of the date the  
3 tax deed was issued less any mortgages or liens on the  
4 property, and the award will not exceed \$99,000. The Court  
5 shall liberally construe this equitable entitlement  
6 standard to provide compensation wherever, in the  
7 discretion of the Court, the equities warrant the action.

8 An owner of a property that contained 4 or less  
9 dwelling units who requests an award in excess of \$99,000  
10 must prove that the loss of his or her property was not  
11 attributable to his or her own fault or negligence before  
12 an award in excess of \$99,000 will be granted.

13 (2) An owner who sustains the loss or damage of any  
14 property occasioned by reason of the issuance of a tax  
15 deed, without fault or negligence of his or her own, has  
16 the right to indemnity limited to the fair cash value of  
17 the property less any mortgages or liens on the property.  
18 In determining the existence of fault or negligence, the  
19 court shall consider whether the owner exercised ordinary  
20 reasonable diligence under all of the relevant  
21 circumstances.

22 (3) In determining the fair cash value of property  
23 less any mortgages or liens on the property, the fair cash  
24 value shall be reduced by the principal amount of all  
25 taxes paid by the tax purchaser or his or her assignee  
26 before the issuance of the tax deed, or if the tax

1 certificate was acquired pursuant to Section 21-90, the  
2 fair cash value shall be reduced by the principal amount  
3 of all taxes for the tax years included in the  
4 certificate, plus the principal amount of subsequent,  
5 forfeited, or sold taxes excluded from the payment or  
6 redemption requirement of Section 22-40(a) when the county  
7 or its agent is the tax deed petitioner.

8 (4) If an award made under paragraph (1) or (2) is  
9 subject to a reduction by the amount of an outstanding  
10 mortgage or lien on the property, other than the principal  
11 amount of all taxes paid by the tax purchaser or his or her  
12 assignee before the issuance of the tax deed and the  
13 petitioner would be personally liable to the mortgagee or  
14 lienholder for all or part of that reduction amount, the  
15 court shall order an additional indemnity award to be paid  
16 directly to the mortgagee or lienholder sufficient to  
17 discharge the petitioner's personal liability. The court,  
18 in its discretion, may order the joinder of the mortgagee  
19 or lienholder as an additional party to the indemnity  
20 action.

21 (b) Indemnity fund; subrogation.

22 (1) Any person claiming indemnity hereunder shall  
23 petition the Court which ordered the tax deed to issue,  
24 shall name the County Treasurer, as Trustee of the  
25 indemnity fund, as defendant to the petition, and shall  
26 ask that judgment be entered against the County Treasurer,

1 as Trustee, in the amount of the indemnity sought. The  
2 provisions of the Civil Practice Law shall apply to  
3 proceedings under the petition, except that neither the  
4 petitioner nor County Treasurer shall be entitled to trial  
5 by jury on the issues presented in the petition. The Court  
6 shall liberally construe this Section to provide  
7 compensation wherever in the discretion of the Court the  
8 equities warrant such action.

9 (2) The County Treasurer, as Trustee of the indemnity  
10 fund, shall be subrogated to all parties in whose favor  
11 judgment may be rendered against him or her, and by third  
12 party complaint may bring in as a defendant any person,  
13 other than the tax deed grantee and its successors in  
14 title, not a party to the action who is or may be liable to  
15 him or her, as subrogee, for all or part of the  
16 petitioner's claim against him or her.

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

23 (1) the identity of all persons beneficially  
24 interested in the contract, directly or indirectly,  
25 including at least the following information: the names  
26 and addresses of any natural persons; the place of

1 incorporation of any corporation and the names and  
2 addresses of its shareholders unless it is publicly held;  
3 the names and addresses of all general and limited  
4 partners of any partnership; the names and addresses of  
5 all persons having an ownership interest in any entity  
6 doing business under an assumed name, and the county in  
7 which the assumed business name is registered; and the  
8 nature and extent of the interest in the contract of each  
9 person identified;

10 (2) the time period during which the contract was  
11 negotiated and agreed upon, from the date of the first  
12 direct or indirect contact between any of the contracting  
13 parties to the date of its execution;

14 (3) the name and address of each natural person who  
15 took part in negotiating the contract, and the identity  
16 and relationship of the party that the person represented  
17 in the negotiations; and

18 (4) the existence of an agreement for payment of  
19 attorney's fees by or on behalf of each party.

20 Any information disclosed during discovery may be subject  
21 to protective order as deemed appropriate by the court. The  
22 terms of the contract shall not be used as evidence of value.

23 (d) A petition of indemnity under this Section must be  
24 filed within 10 years after the date the tax deed was issued.

25 (Source: P.A. 97-557, eff. 7-1-12.)

1 (35 ILCS 200/21-350)

2 Sec. 21-350. Period of redemption. Property sold at a tax  
3 sale under this Code may be redeemed at any time before the  
4 expiration of 2.5 years from the date of sale, and in counties  
5 with 3,000,000 or more inhabitants before the expiration of 3  
6 years from the date of sale, except that:

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

13 (a-5) If on the date of the tax sale the property sold  
14 is occupied residential property containing a structure or  
15 structures with 6 or fewer residential units, the property  
16 may be redeemed after 3 years but before the court orders  
17 the property sold at a judicial tax deed auction.

18 (b) (Blank).

19 ~~(c) If the period of redemption has been extended by~~  
20 ~~the certificate holder as provided in Section 21-385 or~~  
21 ~~Section 22-5, the property may be redeemed on or before~~  
22 ~~the extended redemption date.~~ The changes made to this  
23 Section by this amendatory Act of the 103rd General  
24 Assembly apply to matters concerning tax certificates  
25 issued on or after January 1, 2024.

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



1 .....  
2 .....

3 This notice is to advise you that if you do not redeem by  
4 paying your tax debt before the deadline, a petition may be  
5 filed in court ~~for a tax deed which~~ will transfer title and the  
6 right to possession of the above-referenced property  
7 ("Property"). If you are a homeowner, this may eventually  
8 result in eviction from your home ~~if redemption is not made on~~  
9 ~~or before the redemption deadline.~~

10 Your right to redeem will expire on .....

11 To request ~~determine the redemption deadline~~ and the total  
12 amount you must pay to redeem the sold taxes, you must  
13 immediately contact the County Clerk at the address, phone  
14 number, or email address below. Check with the County Clerk  
15 for the exact amount you owe before redeeming. Payment must be  
16 made by certified check, cashier's check, money order, or in  
17 cash to the County Clerk.

18 YOU ARE URGED TO REDEEM IMMEDIATELY TO  
19 PREVENT LOSS OF PROPERTY AND ADDITIONAL COSTS

20 The longer you wait, the more expensive it will be to  
21 redeem and prevent the loss of your property. Interest will  
22 continue to accrue on the total amount owed until the property  
23 is redeemed, and you may owe additional attorney or filing  
24 fees if the certificate holder chooses to pursue an order for a  
25 tax deed auction to compel the sale or transfer of the deed to  
26 the property.

1 ~~Property sold under the Property Tax Code may be redeemed~~  
2 ~~by any owner or person holding an interest in the Property at~~  
3 ~~any time before the following deadlines (based on property~~  
4 ~~classification as of the Date of Sale):~~

5 ~~You must redeem your taxes within one year of the Date of~~  
6 ~~Sale for the following classifications:~~

7 ~~(1) vacant non farm property;~~

8 ~~(2) property containing an improvement consisting of a~~  
9 ~~structure or structures with 7 or more residential units;~~  
10 ~~and~~

11 ~~(3) commercial or industrial property.~~

12 ~~You must redeem your taxes within 2 1/2 years of the Date~~  
13 ~~of Sale for the following classifications:~~

14 ~~(1) all residential property with less than 6 units;~~

15 ~~and~~

16 ~~(2) all other property not covered by the 1 year~~  
17 ~~redemption period outlined above.~~

18 ~~Redemption deadlines may have been extended by the~~  
19 ~~certificate holder or pursuant to Illinois law.~~

20 To confirm the amount you will need to redeem ~~redemption~~  
21 ~~deadline~~, you must contact the County Clerk at the address,  
22 telephone number, or email address below. Redemption can be  
23 made at any time on or before .... by applying to the County  
24 Clerk of .... County, Illinois at the Office of the County  
25 Clerk in ....., Illinois. The address, telephone number, and  
26 email address for the County Clerk is as follows:

1 ADDRESS:.....

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

3 For further information about the redemption deadline,  
4 redemption amount, or payment process, please contact the  
5 County Clerk.

6 Housing Counselor Information: If you would like housing  
7 counseling or assistance, you can contact the U.S. Department  
8 of Housing and Urban Development (HUD) for a list of  
9 homeownership counselors or counseling organizations in your  
10 area.

11 In counties with 3,000,000 or more inhabitants, the  
12 redemption notice shall contain a provision in Spanish,  
13 Polish, and Mandarin Chinese, stating that the redemption  
14 notice affects important legal rights and should be translated  
15 immediately.

16 Within 10 days after receipt of said notice, the county  
17 clerk shall mail to the addresses supplied by the purchaser or  
18 assignee, by registered or certified mail, copies of said  
19 notice to the party in whose name the taxes are last assessed  
20 as shown by the most recent tax collector's warrant books.  
21 With the exception of a county or taxing district acquiring  
22 certificates pursuant to Section 21-90 and 21-260, all  
23 purchasers or assignees shall pay to the clerk postage plus  
24 the sum of \$10. The clerk shall write or stamp the date of

1 receiving the notices upon the copies of the notices, and  
2 retain one copy.

3 ~~All~~ ~~With the exception of forfeited tax liens or~~  
4 ~~certificates held by the county pursuant to Section 21-90, all~~  
5 redemption periods shall begin on the date of the tax sale. For  
6 forfeited tax liens or certificates held by the county  
7 pursuant to Section 21-90, the county may cure any defect in a  
8 notice, or failure to send a notice as required by this  
9 Section, by delivering to the county clerk a notice to be given  
10 to the party in whose name the taxes are last assessed as shown  
11 by the most recent tax collector's warrant books. The  
12 redemption period begins on the date the county delivered the  
13 corrected notice to the clerk, if such extension is otherwise  
14 permitted by law.

15 The changes to this Section made by this amendatory Act of  
16 the 97th General Assembly apply only to tax sales that occur on  
17 or after the effective date of this amendatory Act of the 97th  
18 General Assembly.

19 The changes made to this Section by this amendatory Act of  
20 the 103rd General Assembly apply to matters concerning tax  
21 certificates issued on or after the effective date of this  
22 amendatory Act of the 103rd General Assembly.

23 (Source: P.A. 102-815, eff. 5-13-22; 103-555, eff. 1-1-24.)

24 (35 ILCS 200/22-10)

25 Sec. 22-10. Notice of expiration of period of redemption.

1 A purchaser or assignee shall not be entitled to request an  
 2 order for a judicial tax deed auction and a tax deed to the  
 3 property sold at an annual tax sale unless, not less than 3  
 4 months nor more than 6 months prior to the expiration of the  
 5 period of redemption, he or she gives notice of the sale and  
 6 the date of expiration of the period of redemption to the  
 7 owners, occupants, the municipality in which the subject  
 8 property lies or county if the property lies outside municipal  
 9 corporate boundaries, and interested parties ~~interested in the~~  
 10 ~~property,~~ including any mortgagee of record, as provided  
 11 below. For counties or taxing districts holding certificates  
 12 pursuant to Section 21-90, the date of expiration of the  
 13 period of redemption shall be designated by the county or  
 14 taxing district in its petition for tax deed and identified in  
 15 the notice below, which shall be filed with the county clerk.

16 The Notice to be given to the parties shall be in at least  
 17 10-point type in the following form completely filled in:

18 TAX DEED NO. .... FILED .....

19 TAKE NOTICE

20 County of .....

21 Date Premises Sold or Forfeited .....

22 Certificate No. ....

23 Sold or Forfeited for General Taxes of (year) .....

24 Sold for Special Assessment of (Municipality)

25 and special assessment number .....

26 Warrant No. .... Inst. No. ....

THIS PROPERTY HAS BEEN SOLD AT A TAX SALE FOR  
DELINQUENT TAXES

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

Legal Description or Property Index No. ....  
.....  
.....

This notice is to advise you that the above property has  
been sold for delinquent taxes at a tax sale and that the  
period of redemption from the sale will expire on .....  
.....

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

This notice is also to advise you that a petition has been  
filed in the Circuit Court seeking an order for judicial tax  
deed auction and ~~for~~ a tax deed which will transfer title and  
the right to possession of this property if redemption is not  
made on or before .....

If you are a homeowner, this may eventually result in  
eviction from your home. This matter is set for hearing in the  
Circuit Court of this county in ....., Illinois on .....

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

You may file a response to the petition or attend the  
hearing and present your case to the court. However, if you do  
not redeem at or before the hearing, and if the court finds

1 that the petitioner has complied with all notice and other  
 2 proper steps required to seek an order for judicial tax deed  
 3 auction, the court will still enter an order that your right to  
 4 redeem has expired, all other interested parties have been  
 5 provided proper notice and their interests have been resolved  
 6 or extinguished, and the deed to the property is to be offered  
 7 for sale at a public auction. If you are the current owner of  
 8 the property, you may be entitled to receive any surplus from  
 9 the public tax deed auction after the delinquent taxes and  
 10 other costs are paid. If there is a surplus, you will receive  
 11 notice about how to claim the funds.

12 YOU ARE URGED TO REDEEM IMMEDIATELY

13 TO PREVENT LOSS OF PROPERTY AND ADDITIONAL COSTS

14 Redemption can be made at any time on or before .... by  
 15 applying to the County Clerk of ....., County, Illinois at the  
 16 Office of the County Clerk in ....., Illinois.

17 For further information contact the County Clerk

18 ADDRESS:.....

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

20 .....

21 Purchaser or Assignee.

22 Dated (insert date).

23 Housing Counselor Information: If you would like housing  
 24 counseling or assistance, you can contact the U.S. Department  
 25 of Housing and Urban Development (HUD) for a list of

1 homeownership counselors or counseling organizations in your  
2 area.

3 In counties with 3,000,000 or more inhabitants, the notice  
4 shall contain a provision in the Spanish, Polish, and Mandarin  
5 Chinese, stating that the notice affects important legal  
6 rights and should be translated immediately. In counties with  
7 3,000,000 or more inhabitants, the notice shall also state the  
8 address, room number, and time at which the matter is set for  
9 hearing.

10 The changes to this Section made by Public Act 97-557  
11 apply only to matters in which a petition for tax deed is filed  
12 on or after July 1, 2012 (the effective date of Public Act  
13 97-557).

14 The changes to this Section made by Public Act 102-1003  
15 apply to matters in which a petition for tax deed is filed on  
16 or after May 27, 2022 (the effective date of Public Act  
17 102-1003). Failure of any party or any public official to  
18 comply with the changes made to this Section by Public Act  
19 102-528 does not invalidate any tax deed issued prior to May  
20 27, 2022 (the effective date of Public Act 102-1003).

21 The changes made to this Section by this amendatory Act of  
22 the 103rd General Assembly apply to matters concerning tax  
23 certificates issued on or after the effective date of this  
24 amendatory Act of the 103rd General Assembly.

25 (Source: P.A. 102-528, eff. 1-1-22; 102-813, eff. 5-13-22;

1 102-1003, eff. 5-27-22; 103-154, eff. 6-30-23; 103-555, eff.  
2 1-1-24.)

3 (35 ILCS 200/22-40)

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

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

9 (1) the redemption period has expired and the property  
10 has not been redeemed;

11 (2) all taxes and special assessments which became due  
12 and payable subsequent to the sale have been paid, unless  
13 the county or its agent, as trustee pursuant to Section  
14 21-90, is the petitioner;

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

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

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

25 Upon receipt of sufficient evidence of the requirements

1 under this subsection (a), the court shall find that the  
2 petitioner complied with those requirements and shall enter an  
3 order authorizing a judicial tax deed auction or an order  
4 authorizing issuance of a tax deed to a county trustee  
5 pursuant to Section 21-90, subject to the requirements of this  
6 Section, or subject to the requirements in Section 21-90  
7 ~~directing the county clerk, on the production of the tax~~  
8 ~~certificate and a certified copy of the order, to issue to the~~  
9 ~~purchaser or its assignee a tax deed.~~ The court shall insist on  
10 strict compliance with Sections ~~Section~~ 22-10 through 22-25.  
11 Prior to the entry of an order under this Section ~~directing the~~  
12 ~~issuance of a tax deed,~~ the petitioner shall furnish the court  
13 with a report of proceedings of the evidence received on the  
14 application for tax deed. Petitioner shall also furnish to the  
15 court a statement of redemption from the county clerk showing  
16 the total taxes, penalties, and costs that were required to be  
17 paid to redeem the tax sale as specified in the notice required  
18 under Section 22-10. The petitioner for tax deed must file a  
19 statement of, if applicable, (a) all taxes it has paid or  
20 redeemed for the property, (b) the costs paid for court  
21 reporter and transcript services in counties of 3,000,000 or  
22 more inhabitants, or in counties with less than 3,000,000  
23 inhabitants, a submission of a report of proceedings to the  
24 court, (c) the fees paid to the clerk for the estimate of  
25 redemption, (d) all payments made for municipal advancements  
26 required by Section 22-35, and (e) costs incurred pursuant to

1 Section 21-90(c). The total of the amount shown on the  
2 statement of redemption plus (a) through (e) above, or portion  
3 thereof, plus a fee not to exceed 50 percent of the then-  
4 allowable foreclosure attorney fees for Illinois as published  
5 by Fannie Mae, plus the cost of publication of the judicial tax  
6 deed auction, shall be identified as the tax deed judgment  
7 amount. The tax deed judgment amount shall accrue interest at  
8 0.75% per month, or portion thereof, from the date of the  
9 judgment until the date of judicial tax deed auction. If the  
10 judicial tax deed auction is not concluded within 120 days  
11 after date of the judgment, the judgment shall accrue interest  
12 after the 120-day period only if any delay in concluding the  
13 auction is the result of legal action taken by the owner or  
14 other interested party before issuance of the tax deed. The  
15 order for judicial tax deed auction shall include such terms  
16 and conditions of the auction as specified by the court ~~and the~~  
17 ~~report of proceedings shall be filed and made a part of the~~  
18 ~~court record.~~

19 (b) Except as provided in subsection (e) of this Section,  
20 if taxes for years prior to the year or years sold are or  
21 become delinquent subsequent to the date of sale, the court  
22 shall find that the lien of those delinquent taxes has been or  
23 will be merged into the tax deed grantee's title if the court  
24 determines that the tax deed grantee or any prior holder of the  
25 certificate of purchase, or any person or entity under common  
26 ownership or control with any such grantee or prior holder of

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

14 (c) The county clerk is entitled to a fee of \$10 in  
15 counties of 3,000,000 or more inhabitants and \$5 in counties  
16 with less than 3,000,000 inhabitants for the issuance of the  
17 tax deed, with the exception of deeds issued to the county  
18 pursuant to its authority under Section 21-90. The clerk may  
19 not include in a tax deed more than one property as listed,  
20 assessed and sold in one description, except in cases where  
21 several properties are owned by one person. The fee paid to the  
22 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.

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

11 (d) The court shall retain jurisdiction to enter orders  
12 pursuant to ~~subsections (b) and (e) of this Section. Public~~  
13 ~~Act 92-223 and Public Act 95-477 shall be construed as being~~  
14 ~~declarative of existing law and not as a new enactment.~~

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

21 (e-5) Following the expiration of the period of  
22 redemption, the petitioner's payment of (i) any subsequent tax  
23 and special assessment and (ii) any redemption of any sale of  
24 subsequent taxes or forfeiture shall be accompanied by an  
25 indemnity fund fee of 10% of the principal taxes and interest  
26 paid by the petitioner under this Section. All fees received

1 under this subsection shall be paid by the collector and  
2 county clerk to the county treasurer of the county in which the  
3 land is situated for the purpose of funding the county's  
4 indemnity fund established by Section 21-295. No fees incurred  
5 under this subsection shall be posted to the subject tax sale  
6 pursuant to Section 21-355.

7 (f) If, for any reason, a purchaser fails to obtain an  
8 order for judicial tax deed auction or for tax deed within the  
9 required time period and no sale in error was granted or  
10 redemption paid, then the certificate shall be forfeited to  
11 the county, as trustee, pursuant to Section 21-90.

12 (g) Judicial Tax Deed Auction. Except as provided in  
13 Section 21-90, upon entry of an order requiring a judicial tax  
14 deed auction under subsection (a) of this Section, the  
15 property shall be offered for sale by public auction within  
16 120 days after date of the order and sold to the highest bidder  
17 at such an auction in accordance with the Section 22-42 and  
18 subject to additional requirements set by the court's order.

19 (Source: P.A. 103-555, eff. 1-1-24; 104-417, eff. 8-15-25.)

20 (35 ILCS 200/22-42 new)

21 Sec. 22-42. Judicial tax deed auction and procedures.

22 (a) Notice of Tax Deed Auction. The sheriff, or duly  
23 appointed private selling officer, shall give notice of the  
24 auction with the following information:

25 (1) the Property Identification Number and Address

1 listed on the most recent tax bill;

2 (2) the time and place of the auction including:  
3 whether the auction will take place online, in person, or  
4 both; and the website where the online bidding may take  
5 place, if applicable;

6 (3) the terms of the auction; and

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

9 The Notice of Tax Deed Auction shall be in clear and  
10 concise language, together with a notice in Spanish, Polish,  
11 and Mandarin Chinese, stating that the notice affects  
12 important legal rights and should be translated immediately.  
13 The Notice of Tax Deed Auction shall be mailed via first class  
14 mail to all interested parties, and via first class mail and  
15 certified mail to the owner of the property, at the address at  
16 which service of the Section 22-10 Take Notice was attempted  
17 and to any parties who have appeared in the proceeding. The  
18 notice shall include a sworn certificate of service signed by  
19 the party sending the notice attesting to the fact that the  
20 notice of auction was placed in the mail at least 10 calendar  
21 days prior to the date of the auction.

22 The Notice of Tax Deed Auction shall be published at least  
23 3 consecutive calendar weeks (Sunday through Saturday), once  
24 in each week, the first such notice to be published not more  
25 than 45 days prior to the auction, the last such notice to be  
26 published not less than 7 days prior to the auction. If the

1 property is located in a municipality in a county with less  
2 than 3,000,000 inhabitants, the purchaser or his or her  
3 assignee shall also publish a notice as to the owner or  
4 interested party, in some newspaper published in the  
5 municipality, and such other publications as may be further  
6 ordered by the court. If the petitioner cannot identify a  
7 newspaper published in the municipality, or if the property is  
8 located in a county with 3,000,000 or more inhabitants, the  
9 notice shall be published in a newspaper published within the  
10 county, and such other publications as may be further ordered  
11 by the court. If no newspaper is published in the county, then  
12 the notice shall be published in the newspaper that is  
13 published nearest the county seat of the county in which the  
14 property is located and such other publications as may be  
15 further ordered by the court. The publication shall include  
16 all information included in the notice sent pursuant to this  
17 Section.

18 (b) Minimum Bid. The selling officer shall start all  
19 bidding with a minimum bid equal to (1) the tax deed judgment  
20 amount plus interest at the rate of 0.75% per month, or portion  
21 thereof, for each month since the date of judgment, except as  
22 provided in Section 22-40, (2) the cost for the publication of  
23 the judicial sale required in this Section, and (3) the costs  
24 of the selling officer. The selling officer shall proceed to a  
25 public tax deed auction, offer the real estate for sale, and  
26 sell the real estate to the highest bidder. If no bidder is

1 willing to pay the minimum bid, the petitioner shall be the  
2 winning bidder and entitled to a tax deed, and it shall be  
3 conclusively presumed that there is no surplus equity in the  
4 property.

5 (c) Credit Bid for Petitioner. At the auction under this  
6 Section, the person conducting the auction shall enter a bid  
7 in favor of the petitioner in the amount of the minimum bid set  
8 forth above. Nothing in this Section shall be construed to  
9 prevent the petitioner from bidding at the public auction.  
10 However, if the petitioner is the winning bidder, the holder  
11 must pay cash for the difference between the winning bid and  
12 the minimum bid, plus any applicable costs or fees that may be  
13 attached to the winning bid.

14 (d) Receipt upon Judicial Tax Deed Auction. Upon and at  
15 the conclusion of the judicial tax deed auction, the person  
16 conducting the auction shall give to the purchaser a receipt  
17 of sale. The receipt shall describe the real estate purchased  
18 and shall show the amount bid, the total amount paid to date,  
19 and the amount still to be paid therefor. An additional  
20 receipt shall be given at the time of each subsequent payment.  
21 Any purchaser who fails to complete the sale for failure to  
22 make full payment shall forfeit to the county indemnity fund  
23 any deposit already made, and the court shall order a new  
24 auction of the property.

25 (e) Certificate of Tax Deed Auction. Upon payment in full  
26 of the amount bid, the sheriff or duly appointed selling

1 officer conducting the sale shall issue, in duplicate, and  
2 give to the purchaser a certificate of judicial tax deed  
3 auction. The certificate of judicial tax deed auction shall be  
4 in a recordable form, describe the real estate purchased,  
5 indicate the date and place of sale and show the amount paid  
6 therefor. The certificate of tax deed sale shall further  
7 indicate that it is subject to confirmation by the court. The  
8 certificate of sale shall be freely assignable by endorsement  
9 thereon.

10 (f) To the extent that the winning bid exceeds the minimum  
11 bid, upon the expiration of 30 days following confirmation of  
12 the sale the selling officer shall deposit the surplus funds  
13 with the treasurer of the county in which the subject property  
14 lies and provide the treasurer with the parties and mailing  
15 addresses to which all Take Notices were sent pursuant to  
16 Section 22-10. The treasurer shall send a notice to all  
17 parties sent the Section 22-10 Take Notice, stating that the  
18 owner at the time of the sale is entitled to a distribution of  
19 surplus proceeds and may file a claim to recover the surplus  
20 with the treasurer of the county.

21 (g) Confirmation of sale; Order for Issuance of Tax Deed.

22 (1) The sheriff or selling officer conducting the sale  
23 shall promptly make a report to the court that issued the  
24 order authorizing the judicial tax deed auction, which  
25 report shall include a copy of all receipts and, if any,  
26 certificate of judicial tax deed sale.

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

21           (3) Unless the tax certificate was forfeited to the  
22           county in the manner described in Section 21-225 of this  
23           Code, if the county is the holder of the tax certificate  
24           for property sold at a judicial tax deed auction in  
25           accordance with this Section, any proceeds of any such  
26           sale shall be distributed to the taxing districts in

1 proportion to their respective interests therein.  
2 Notwithstanding the preceding, any distribution to the  
3 taxing districts shall be reduced by the following: all  
4 costs incurred by either the county, the court, or the  
5 selling officer associated with the sale of the property.  
6 Any surplus amount to be held by the county treasurer and  
7 distributed to former owners in accordance with paragraph  
8 (5) of this Section shall be excluded from distributions  
9 to taxing districts.

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

24 (5) No sale under this Section shall be held invalid  
25 or be set aside because of any immaterial or insignificant  
26 defect in the notice thereof or in the publication of the

1       same, or in the proceedings of the officer conducting the  
2       sale.

3       (h) Notice of Surplus Proceeds. Within 60 days following  
4       the deposit of surplus funds with the treasurer of the county,  
5       the treasurer shall send notice to all parties to which the  
6       Section 22-10 Take Notice was sent, stating that the owner or  
7       owners of the property at the time of the sale may submit a  
8       claim for the surplus funds to the county treasurer or the  
9       circuit court within two years of the date on the notice.

10       (i) Upon receipt of a claim for surplus proceeds, the  
11       county treasurer, being satisfied of the facts in the case,  
12       shall distribute the surplus proceeds to the proper claimant.  
13       When the county treasurer is unable to determine the proper  
14       claimant, the county treasurer shall file a motion with the  
15       circuit court hearing the underlying tax case, requesting that  
16       the court determine whether an interested party is the owner  
17       of record entitled to a disbursement of surplus proceeds.  
18       Within 30 days following the filing of the motion, the court  
19       hearing the underlying tax case shall set a hearing to  
20       determine whether an interested party is the owner of record  
21       entitled to a disbursement of surplus proceeds. All interested  
22       parties in the underlying case shall be notified by the county  
23       treasurer. Any party claiming to have an ownership interest in  
24       the parcel at the time of the issuance of tax deed may present  
25       evidence of ownership and request a disbursement of any or all  
26       surplus proceeds. The court shall issue an order directing the

1 treasurer to disburse a specific amount of surplus proceeds to  
2 specific parties, with sufficient personally identifiable  
3 information to accurately identify the parties entitled to  
4 disbursement.

5 (j) Upon filing of a motion by a party claiming to be the  
6 owner of the property at the time of sale, within 30 days  
7 following the filing of the motion, the court hearing the  
8 underlying tax case shall set a hearing to determine whether  
9 an interested party is the owner entitled to a disbursement of  
10 surplus proceeds. All interested parties in the underlying  
11 case shall be notified by the movant. Any party claiming to be  
12 the owner of the property at the time of sale may present  
13 evidence of ownership and request a disbursement of any or all  
14 surplus proceeds. The court shall issue an order directing the  
15 treasurer to disburse a specific amount of surplus proceeds to  
16 specific parties, with sufficient personally identifiable  
17 information to accurately identify the parties entitled to  
18 disbursement.

19 (k) Surplus funds that have not been claimed within 3  
20 years following the date on the county treasurer's notice in  
21 accordance with subsection (h) of Section 22-42(h) shall be  
22 disposed of pursuant to the Revised Uniform Unclaimed Property  
23 Act.

24 (35 ILCS 200/22-65)

25 Sec. 22-65. Form of deed. A tax deed executed by the county

1 clerk under the official seal of the county shall be recorded  
 2 in the same manner as other conveyances of property, and vests  
 3 in the grantee, his or her heirs and assigns, the title of the  
 4 property therein described without further acknowledgment or  
 5 evidence of the conveyance. Tax Deeds issued under this  
 6 Section shall not require a municipal transfer stamp, or be  
 7 subject to any municipal real estate transfer taxes,  
 8 requirements, or certifications prior to recording. The  
 9 conveyance shall be substantially in the following form:

10 State of Illinois)

11 ) ss.

12 County of .....)

13 At a tax deed auction ~~public sale~~ of property for the  
 14 nonpayment of taxes, held in the county above stated, on  
 15 (insert date), the following described property was sold:  
 16 (here place description of property conveyed). The property  
 17 not having been redeemed from the sale, and it appearing that  
 18 the holder of the certificate of purchase of the property has  
 19 complied with the laws of the State of Illinois necessary to  
 20 entitle (insert him, her or them) to a deed of the property: I  
 21 ....., county clerk of the county of ....., in consideration of  
 22 the property and by virtue of the statutes of the State of  
 23 Illinois in such cases provided, grant and convey to ....., his  
 24 or her heirs and assigns forever, the property described  
 25 above.

26 Dated (insert date).

1 Signature of ..... County Clerk

2 Seal of County of ....., Illinois

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

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

6 (765 ILCS 940/5)

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

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

13 "Distressed property consultant" means any person who,  
14 directly or indirectly, for compensation from the owner, makes  
15 any solicitation, representation, or offer to perform or who,  
16 for compensation from the owner, performs any service that the  
17 person represents will in any manner do any of the following:

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

20 (2) obtain any forbearance from any beneficiary or  
21 mortgagee, or relief with respect to a tax sale of the  
22 property;

23 (3) assist the owner to exercise any right of  
24 reinstatement or right of redemption;

1           (4) obtain any extension of the period within which  
2           the owner may reinstate the owner's rights with respect to  
3           the property;

4           (5) obtain any waiver of an acceleration clause  
5           contained in any promissory note or contract secured by a  
6           mortgage on a distressed property or contained in the  
7           mortgage;

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

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

14          (8) save the owner's residence from foreclosure or  
15          save the owner from loss of home due to nonpayment of  
16          taxes.

17          A "distressed property consultant" does not include any of  
18          the following:

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

22               (2) a person who holds or is owed an obligation  
23               secured by a lien on any distressed property, or a person  
24               acting under the express authorization or written approval  
25               of such person, when the person performs services in  
26               connection with the obligation or lien, if the obligation

1 or lien did not arise as the result of or as part of a  
2 proposed distressed property conveyance;

3 (3) banks, savings banks, savings and loan  
4 associations, credit unions, and insurance companies  
5 organized, chartered, or holding a certificate of  
6 authority to do business under the laws of this State or  
7 any other state or under the laws of the United States;

8 (4) attorneys licensed in Illinois engaged in the  
9 practice of law;

10 (5) a Department of Housing and Urban Development  
11 approved mortgagee and any subsidiary or affiliate of  
12 these persons or entities, and any agent or employee of  
13 these persons or entities, while engaged in the business  
14 of these persons or entities;

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

21 (7) (blank);

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

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

26 "Distressed property purchaser" means any person who

1 solicits an owner of distressed property and acquires any  
2 interest in fee in a distressed property or a beneficial  
3 interest in a trust holding title to a distressed property  
4 ~~while allowing the owner to possess, occupy, or retain any~~  
5 ~~present or future interest in fee in the property,~~ or any  
6 person who participates in a joint venture or joint enterprise  
7 involving a distressed property conveyance. "Distressed  
8 property purchaser" does not mean any person who acquires  
9 distressed property at a short sale or any person acting in  
10 participation with any person who acquires distressed property  
11 at a short sale, if that person does not promise to convey an  
12 interest in fee back to the owner or does not give the owner an  
13 option to purchase the property at a later date.

14 "Distressed property conveyance" means a transaction in  
15 which an owner of a distressed property transfers an interest  
16 in fee in the distressed property or in which the holder of all  
17 or some part of the beneficial interest in a trust holding  
18 title to a distressed property transfers that interest; ~~the~~  
19 ~~acquirer of the property allows the owner of the distressed~~  
20 ~~property to occupy the property; and the acquirer of the~~  
21 ~~property or a person acting in participation with the acquirer~~  
22 ~~of the property conveys or promises to convey an interest in~~  
23 ~~fee back to the owner or gives the owner an option to purchase~~  
24 ~~the property at a later date.~~

25 "Person" means any individual, partnership, corporation,  
26 limited liability company, association, or other group or

1 entity, however organized.

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

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

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

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

9 (4) arranging or attempting to arrange for an  
10 extension of the period within which the owner of a  
11 distressed property may cure the owner's default and  
12 reinstate his or her obligation;

13 (5) arranging or attempting to arrange for any delay  
14 or postponement of the time of sale of the distressed  
15 property;

16 (6) advising the filing of any document or assisting  
17 in any manner in the preparation of any document for  
18 filing with any court; or

19 (7) giving any advice, explanation, or instruction to  
20 an owner of a distressed property that in any manner  
21 relates to the cure of a default or forfeiture or to the  
22 postponement or avoidance of sale of the distressed  
23 property.

24 (Source: P.A. 94-822, eff. 1-1-07; 95-691, eff. 6-1-08;  
25 95-1047, eff. 4-6-09.)

1 (765 ILCS 940/30)

2 Sec. 30. Distressed property conveyance contract terms.  
3 Every contract required by Section 25 must contain the entire  
4 agreement of the parties, be fully assignable, and survive  
5 delivery of any instrument of conveyance of the distressed  
6 property. Every lease entered into pursuant to a contract  
7 required by Section 25 is terminable at will by the distressed  
8 property owner, without liability. Every contract required by  
9 Section 25 must include the following terms:

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

12 (2) the address of the distressed property;

13 (3) the total consideration to be given by the  
14 distressed property purchaser or tax lien payor in  
15 connection with or incident to the sale;

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

21 (5) a complete description of the terms of any related  
22 agreement designed to allow the owner of the distressed  
23 property to remain in the home such as a rental agreement,  
24 repurchase agreement, contract for deed, or lease with  
25 option to buy;

26 (6) a notice of cancellation as provided in this

1 Section;

2 (7) the following notice in at least 12-point boldface  
3 type, if the contract is printed, or in capital letters,  
4 if the contract is typed, and completed with the name of  
5 the distressed property purchaser, immediately above the  
6 statement required by this Section:

7 "NOTICE REQUIRED BY ILLINOIS LAW

8 Until your right to cancel this contract has ended,  
9 .....(Name) or anyone working for  
10 .....(Name) CANNOT ask you to sign or have  
11 you sign any deed or any other document. You are urged to  
12 have this contract reviewed by an attorney of your choice  
13 within 5 business days of signing it."; and

14 (8) if title to the distressed property will be  
15 transferred in the conveyance transaction, the following  
16 notice in at least 14-point boldface type if the contract  
17 is printed, or in capital letters if the contract is  
18 typed, and completed with the name of the distressed  
19 property purchaser, immediately above the statement  
20 required by this Section:

21 "NOTICE REQUIRED BY ILLINOIS LAW

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

24 (9) in the case a distressed property is at risk of  
25 loss for the non-payment of real estate taxes, a statement  
26 that the property owner may have the right to obtain money

1       for any equity lost if a tax deed is issued, either through  
2       the right to indemnity or public auction, and will lose  
3       the right to claim the surplus equity if they sell the  
4       property, and should consult an attorney to discuss their  
5       options before selling their property.

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