

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by changing Section 21-15 as follows:

(35 ILCS 200/21-15)

Sec. 21-15. General tax due dates; default by mortgage lender. Except as otherwise provided in this Section or Section 21-40, all property upon which the first installment of taxes remains unpaid on the later of (i) June 1 or (ii) the day after the date specified on the real estate tax bill as the first installment due date annually shall be deemed delinquent and shall bear interest after that date ~~June 1~~ at the rate of 1 1/2% per month or portion thereof. Except as otherwise provided in this Section or Section 21-40, all property upon which the second installment of taxes remains due and unpaid on the later of (i) September 1 or (ii) the day after the date specified on the real estate tax bill as the second installment due date, annually, shall be deemed delinquent and shall bear interest after that date ~~September 1~~ at the same interest rate. All interest collected shall be paid into the general fund of the county. Payment received by mail and postmarked on or before the required due date is not delinquent.

Property not subject to the interest charge in Section 9-260 or Section 9-265 shall also not be subject to the interest charge imposed by this Section until such time as the owner of the property receives actual notice of and is billed for the principal amount of back taxes due and owing.

If an Illinois resident who is a member of the Illinois National Guard or a reserve component of the armed forces of the United States and who has an ownership interest in property taxed under this Act is called to active duty for deployment outside the continental United States and is on active duty on the due date of any installment of taxes due under this Act, he or she shall not be deemed delinquent in the payment of the installment and no interest shall accrue or be charged as a penalty on the installment until 180 days after that member returns from active duty. To be deemed not delinquent in the payment of an installment of taxes and any interest on that installment, the reservist or guardsperson must make a reasonable effort to notify the county clerk and the county collector of his or her activation to active duty and must notify the county clerk and the county collector within 180 days after his or her deactivation and provide verification of the date of his or her deactivation. An installment of property taxes on the property of any reservist or guardsperson who fails to provide timely notice and verification of deactivation to the county clerk is subject to interest and penalties as delinquent taxes under this Code from the date of deactivation.

Notwithstanding any other provision of law, when any unpaid taxes become delinquent under this Section through the fault of the mortgage lender, (i) the interest assessed under this Section for delinquent taxes shall be charged against the mortgage lender and not the mortgagor and (ii) the mortgage lender shall pay the taxes, redeem the property and take all necessary steps to remove any liens accruing against the property because of the delinquency. In the event that more than one entity meets the definition of mortgage lender with respect to any mortgage, the interest shall be assessed against the mortgage lender responsible for servicing the mortgage. Unpaid taxes shall be deemed delinquent through the fault of the mortgage lender only if: (a) the mortgage lender has received all payments due the mortgage lender for the property being taxed under the written terms of the mortgage or promissory note secured by the mortgage, (b) the mortgage lender holds funds in escrow to pay the taxes, and (c) the funds are sufficient to pay the taxes after deducting all amounts reasonably anticipated to become due for all hazard insurance premiums and mortgage insurance premiums and any other assessments to be paid from the escrow under the terms of the mortgage. For purposes of this Section, an amount is reasonably anticipated to become due if it is payable within 12 months from the time of determining the sufficiency of funds held in escrow. Unpaid taxes shall not be deemed delinquent through the fault of the mortgage lender if the mortgage lender

was directed in writing by the mortgagor not to pay the property taxes, or if the failure to pay the taxes when due resulted from inadequate or inaccurate parcel information provided by the mortgagor, a title or abstract company, or by the agency or unit of government assessing the tax.

(Source: P.A. 93-560, eff. 8-20-03; 94-312, eff. 7-25-05.)

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