



THIS IS AN GOOD OPPORTUNITY

THE COOK COUNTY SCAVENGER SALE

The Cook County Scavenger Sale (the “Sale”) is a biennial auction of the tax debt owed on seriously tax-delinquent properties. The Sale helps the County recoup delinquent tax debt and can provide opportunities for the return of vacant and abandoned properties to productive use and the tax roll.

This fact sheet is a starting point for community groups, small-scale developers, neighborhood stakeholders, and others who want to know more about how the Scavenger Sale process works and who may be considering participating in the Sale to redevelop a vacant or abandoned tax-delinquent property.

THIS FACT SHEET WAS CREATED BY THE INSTITUTE FOR HOUSING STUDIES AT DEPAUL UNIVERSITY WITH SUPPORT FROM THE CHICAGO COMMUNITY TRUST.

THINGS TO KNOW



THIS SALE IS NOT A TRADITIONAL REAL ESTATE MARKETPLACE

When you bid on a Scavenger Sale property, you are bidding on the right to purchase the delinquent tax debt owed on that property, not the property itself. Purchasing tax debt gives a tax buyer a lien on the property and, if the owner of the property does not become current on their taxes, this lienholder can take possession of the property through foreclosure.



ACQUIRING A PROPERTY VIA THE SALE IS NOT FAST

A fundamental part of the foreclosure process is the redemption period – a set amount of time for the property owner to become current on their debt. For residential properties with six or fewer units, the redemption period is two and a half years for occupied properties and two years for abandoned properties. For vacant land and commercial properties, this period is six months.



OTHER COSTS ASSOCIATED WITH ACQUIRING A PROPERTY

Beyond the amount bid to acquire the tax certificate, tax buyers are accountable for property taxes accrued even before title to the property is secured as well as any municipal liens and fees. Most bidders will benefit from working with an attorney to navigate the legal process and will also incur attorney fees.

61%

61% of Scavenger Sale properties are vacant lots.

Page 21 — https://harris.uchicago.edu/files/scavenger_sale.pdf

2.5 YRS

Number of years it typically takes to go to deed on a residential property acquired via the Scavenger Sale.

Page 3 — <https://www.cookcountytreasurer.com/pdfs/ScavengerSaleStudy/ScavengerSaleStudy.pdf>

42.7%

42.7% of properties offered at Scavenger Sales held between 2007 and 2019 owed taxes exceeding half of their property's market value.

Page 51 — <https://www.cookcountytreasurer.com/pdfs/ScavengerSaleStudy/ScavengerSaleStudy.pdf>

STEPS TO CONSIDER



PROPERTY RESEARCH

The list of Scavenger Sale properties is not published until just before the sale, leaving limited time for a potential buyer to identify a property and conduct the research needed to assess the feasibility of a particular redevelopment goal. Sale properties often have substantial challenges related to long-term abandonment such as deteriorating structures, municipal liens and fines, ongoing code enforcement cases, and environmental considerations. In addition to visiting a property in person, there are a few research tools that may help:

COOK COUNTY TREASURER

The Treasurer releases a list and interactive map of Sale properties allowing potential bidders to identify and research prospective properties.

COOK COUNTY CLERK

Researching specific PINs on the Clerk's website will help identify potential municipal liens or other title issues that may complicate property redevelopment.

PRIVATE DATA PROVIDERS

Private companies and non-profits have increasing access to a wide range of property-level data and software that can be used for market analysis. For example, Chicago Cityscape produced a web-based portal for the 2022 Scavenger Sale, including location analysis and assessment of nearby community assets for eligible properties.



POTENTIAL STRATEGIC PARTNERSHIPS

Returning a Scavenger Sale property to productive use can be a complex and resource-intensive process and several entities may be able to provide technical or financial support. Alternatively, others may be able to help you circumvent elements of the Sale process to acquire an existing tax certificate or title to an abandoned property.

LAND BANK AUTHORITIES

A Land Bank is a governmental agency with the ability to acquire Scavenger Sale properties via a no-cash bid. In Cook County, there is the Cook County Land Bank Authority and the South Suburban Land Bank and Development Authority. Land Banks may be able to provide legal and technical support related to taking a Scavenger Sale property to deed and working through the Land Bank may mitigate some of the holding costs. The Land Bank may also have existing tax certificates that are closer to the end of their respective redemption periods or title to other properties that may be a good fit for your project.

PRIVATE TAX BUYERS

Private tax buyers are for-profit entities that specialize in acquiring delinquent property taxes through both the annual Tax Sale and Scavenger Sale. For a cost, tax buyers may be able to provide logistical support around Scavenger Sale property acquisition or may have an existing inventory of tax certificates for purchase.

TECHNICAL ASSISTANCE PROVIDERS

Depending on the nature of your project, there may be non-profit developers, community development financial institutions, or other groups who can provide training, advising and financial assistance to support the planning and execution of your project.



WORK WITH YOUR LOCAL GOVERNMENT

Local government agency staff may be aware of broader initiatives relevant to your project or may be familiar with your specific property and its particular challenges. There may be opportunities for your local government to remove existing municipal liens, recommend programs available to support your project, and help align your objectives with other ongoing strategic initiatives. Getting buy-in from local elected officials may also help advance long-term redevelopment strategies related to your property.

*Communities
can't fix what
they don't own.*

Ja'Net Defell — Community Desk Chicago

UNDERSTAND THE PROCESS

#1

REGISTRATION

Bidders must register and pay a fee at least five business days before the start of the Sale.

For up-to-date registration information on the Scavenger Sale process, please visit: www.cookcountytreasurer.com

#2

BIDDING

The minimum bid is \$250 (or half the past-due tax amount if less than \$500). The highest bidder wins the right to the tax certificate but public agencies can offer a 'no cash bid' which wins the certificate unless another bidder offers more than the total delinquent taxes owed.

#3

PAYMENT

The winning bidder must pay the full amount bid within one business day.

#4

SENDING REQUIRED NOTICES

The Property Tax Code requires tax buyers to send multiple notices with strict deadlines. Consult with experienced tax buyers or attorneys to navigate these notification requirements.

#5

REDEMPTION

Depending on the type of property, a tax buyer must wait between 6 and 24 months before foreclosing on the tax lien and taking title on the property. During this period, the property owner can become current on their tax debt.

#6

FILING AND PROSECUTING YOUR TAX CASE

To obtain a tax deed, tax buyers are required to file a tax petition and serve all interested parties within a period of time established by State statute.