A coalition of legislators, community developers, affordable housing advocates, and tax policy experts joined to reform Illinois’ property tax sale system to increase investment in communities with high concentrations of vacant properties locked in the tax sale system and blocked from redevelopment. Cook County, the City of Chicago, Rockford, Peoria, Decatur, Kankakee support the measure.

The result of three years of research, data analysis, and community engagement sponsored by The Chicago Community Trust, this legislation aims to increase homeownership, build wealth in historically disinvested communities, and make the tax sale system work for communities instead of private tax buyers, hedge funds, and institutional investors.

Senate Bill 1675 Amendment 1 reforms the Illinois Property Tax Sale system with:

**Local government intervention:** Allows local municipalities and counties to quickly intervene after one failed delinquent tax sale to save abandoned properties rather than allow them to cycle through the tax sale system for years while the property deteriorates, requiring taxpayer-funded maintenance and eventually demolition.

- In Cook County, an estimated **50,000 vacant or abandoned properties** are concentrated in Black and Latinx neighborhoods on Chicago’s South and West sides and in the south suburbs.

**Taxpayer relief:** Reduces taxpayer-funded payouts to private tax buyers by narrowing “Sale in Error” loopholes. A “Sale in Error” voids the tax sale and forces local governments to pay a refund with interest to private tax buyers when buyers make excuses to return properties they don’t or never intend to develop.

- Current law allows a “sale in error” to be granted for a range of trivial reasons, such as if the property has a $100 municipal mowing lien.
- **11,000 parcels were returned under “sales in error”** from 2015 to 2022 in Cook County alone. Those tax buyers recouped $277.6 million from taxing districts, including $27.7 million in interest, according to the Cook County Treasurer.

**Homeowner relief:** Cuts in half the monthly interest rate on delinquent taxes for homeowners from 1.5% to 0.75% per month.

- Lower interest means a reduced debt burden for **over 55,000 residential property owners** whose taxes were sold at the last Cook County Annual Tax Sale.
- On average, these owners owed more than $4,000, with a significant share owing less than $1,000.

**Eliminates the “tax buyer leverage” in Cook County:** Makes the Scavenger Sale optional.

- Opens opportunities to revitalize the 30,000 vacant or abandoned properties currently in the Scavenger Sale, equal to 3,500 acres, for community redevelopment.
- Tax buyers are not investing in our communities. Only **7% of all properties** involved in the Scavenger Sale since 2007 have been developed, yet the number of properties in the system continues to grow from 4,266 properties in 2007 to 28,466 in 2019.
For more information about the legislation, contact Ianna Kachoris at ikachoris@cct.org.