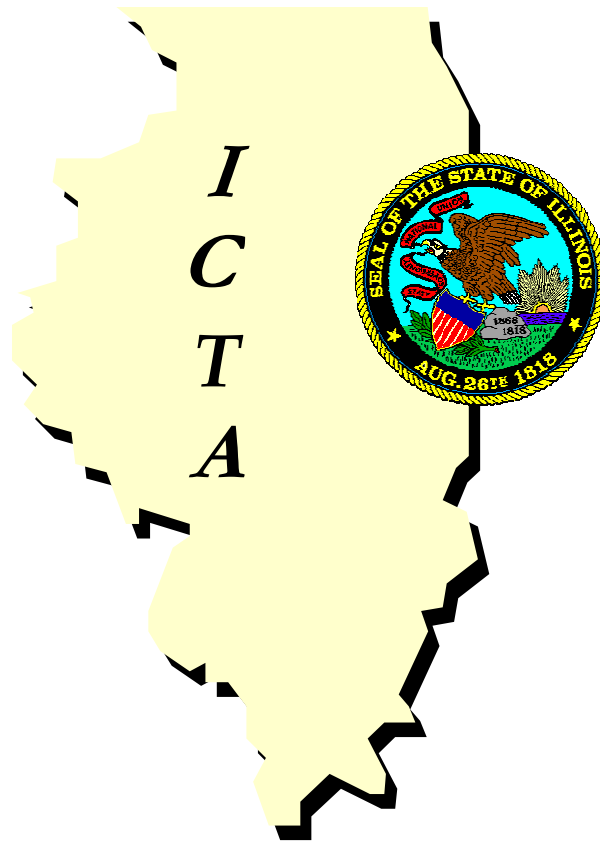


Illinois County Treasurers Association

County Treasurers' Training Manual



REVISED November 2005

The
ILLINOIS
FundsSM

*Manuals published and provided by the
Illinois State Treasurer*

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COUNTY TREASURER STATUTES

(55 ILCS 5/3 10001-10021)

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(50 ILCS 505/1-9)

Assuming the Office

(55 ILCS 5/3 10001-10004)

- Duties begin on December following required election or until the successor is qualified.
- Oath (or affirmation) must be taken prior to taking office, with this being filed in the County Clerk's office, as prescribed by Section 3 Article III of the Constitution.
- Each Treasurer must have a bond filed before taking office as set by the County Board. In counties of 500,000 bonds must not be less than \$1,500,000.
- Treasurer shall be commissioned by the Governor.

Official Duties

(55 ILCS 5/3 10005)

- Receive and safely keep all prescribed funds for the office.
- Disburse said funds pursuant to the law.
- Appoint personnel for performance of duties with deputies to follow same oath process as Treasurer.
- Be responsible for acts of deputies.
- Be responsible for the operations of office.
- File a monthly financial report with County Clerk and County Board Chairman.
- Maintain Special Funds as prescribed by law.
- Employee compensation set by Treasurer within budgetary constraints of the County Board.
- Must be trained by Comptroller's office with application for training requested within first 60 days of assuming office.
- Performance of duties allows receipt of state stipend in addition to counties compensation.

Operation of Office

(55 ILCS 5/3 10006-10018)

- Prompt payment (50 ILCS 505/1)
- Office hours to be established by County Board if different than State requirements of 8 a.m. to 5 p.m. Monday through Friday and 8 a.m. until noon on Saturday.
- Deposits of public funds shall be deposited in financial institution designated by Treasurer unless a Treasurer in a county less than a population of 150,000 people request their board to decide on depositories.
- Maintain an accounting system of all receipt and disbursement of county funds stating time, to whom, and what account payment is made.
- Allow all accounting records to be available for public viewing.

- Co-signed county orders and maintain record of this event.
- Counter sign orders once sufficient funds are in place and make payments per County Board order.
- Give report to County Board of all accounting of public funds with records preserved in County Clerk's office.
- Be prepared to make settlement with County board every six months.

Miscellaneous Information
(55 ILCS 5/3 10019-10021)

- County Board has right to examine records of Treasurer at any time under oath.
- Refusal or negligence in performing duties of office may lead to action by County Board that can include removal from office.
- Neglect of duty may result in a penalty in Circuit Court of between \$50 and \$1000.

Treasurers in Counties 150,000 or greater
(55 ILCS 5/3 11001-11020)

- Maintain classification of funds per section (55 ILCS 5/3 11003)
- Daily deposits required to separate funds.
- Proper placement of interest earning.
- All county money to be invested in interest earning accounts.
- Private funds must be released within 31 days.
- Monthly report of investments and deposits by 28th of each month.
- Withdrawals of funds done in a manner consistent with funds classification.
- Maintain petty cash funds consistent with population size of county.
- Move funds to maintain adequate balance to pay warrants.
- Name a designated active depository with recording of all deposits with an annual report of interest income to the County Clerk.
- Legal cost in the pursuit of office will be paid by county.
- Earning for this position is limited to county and state salaries associated with job.

Prompt Payment Act
(50 ILCS 505/1-9)

- Local government requirement for payment of bills.
- All bills must be approved by responsible official or agencies within 30 days of such time as expedient.
- Once bills are approved they then must be paid within 30 days of approval.
- Late payments will require interest payments set according to statutes.
- If bill payment is being delayed because the funds need to be sent to the State, then this statute may be used to request these funds be accelerated and that any penalty incurred would be reimbursed by the State upon request of the County Treasurer.

INVESTMENT OBLIGATION, LIABILITIES AND RESTRICTION

SYNOPSIS:

County Treasurers have the authority and obligation to invest moneys in their custody in compliance with the guidelines and restrictions set forth in the statutes.

SUMMARY:

As custodians of public funds, County Treasurers have the statutory responsibility to invest available monies in a prudent and responsible manner. Protection of principal should take precedence over rate of return. Statutes are explicit in defining allowable instruments of investments as well depository requirements. Following these statutory guidelines, an investment policy outlining objectives, scope of acceptable investment instruments, depository qualifications, maturity term limitations, and delegation of authority for investment transactions should be prepared and followed. Internal controls should be established with regularly scheduled policy review.

Illinois Compiled Statutes

55 ILCS 5 – COUNTIES

55 ILCS 5/3-11004: Deposits by County Treasurer

--Cites duty of County Treasurer to deposit all county moneys

55 ILCS 5/3-11006: Investment of county moneys

--Outlines instruments in which county moneys may be invested

55 ILCS 5/3-11015: Liability of Treasurer

--Defines liability of Treasurer for monies deposited by him/her

30 ILCS 235 – PUBLIC FUNDS INVESTMENT ACT

30 ILCS 235/1: “Public funds” and “public agency” defined

-- Defines what are public funds and what is a public agency

30 ILCS 235/2: Authorized investments

-- Details all instruments and agencies in which public moneys may be invested; defines “agencies of the United States of America” for investment purposes; restricts any interest Treasurer may have in an agency in which he/she is authorized to invest.

CHIEF DEPUTY PROCEDURE, REQUIREMENTS, PROCESS

SYNOPSIS:

The appointment of deputies allows for uninterrupted performance of critical functions and duties of the Treasurer and the office.

SUMMARY:

The appointment of deputies to assist Treasurers in the performance of their duties is recognized by statute.

Deputies take the same oath of office which is entered upon the records of the County Clerk.

Illinois law is silent as to the specific powers and duties of deputies although it is a reasonable interpretation that they are the same as the Treasurer. It is clear that the Treasurer is responsible for their actions. Compensation is fixed by the Treasurer subject to budgetary limitations established by the County Board.

Both the appointment, delineating powers and duties, and the oath should be memorialized in written form. The appointment cannot exceed the term of the Treasurer and deputies do not succeed the Treasurer should that office be vacated.

The position of Chief Deputy is not statutory, but may be useful in managing the office. The County Board may create such a position for budgetary reasons, or the Treasurer may simply include it in the organization of the office.

Qualifications and training would be determined by the job description developed by the Treasurer.

Illinois Compiled Statutes:

55 ILCS 5/3-10005: Functions, power and duties of Treasurer

55 ILCS 5/3-10005.4: Compensation of deputies and employees

55 ILCS 5/3-10020: Removal for cause – Other vacancy

Sec. 3, Article XIII of the Illinois Constitution: Oath or affirmation of office

INTERACTION BETWEEN TREASURER'S OFFICE AND COUNTY BOARDS (COMMISSIONERS)

SUMMARY:

The Treasurer has sole authority for internal office control. The Treasurer gives monthly financial reports to Board Chairman. Special funds may be established for payment by voucher for the Board between their meeting dates. They determine compensation of deputies and employees that are not subject to other laws and within the budget. Treasurers receive an annual stipend from the State Board and cannot use it to offset their allocations for the Treasurer's salary. Treasurer cannot sign any order without money being in place and without examining Board records. Determination of deputies and assistants solely made by the Treasurer.

The required bond of the Treasurer will have its amount set by the Board. Counties of 500,000 inhabitants have a minimum dollar amount set by statutes. Office hours are established by the Board. No payment may occur without Board authorization. Render account settlement to Board upon their request. Conduct half yearly settlements.

Treasurer is responsible to deliver a monthly report to the Board. Board may examine Treasurer in regard to discharge of duty. Board has authority to remove Treasurer for failure to discharge duty. Board can appoint replacement after removal for failure to discharge duty.

Illinois Compiled Statutes:

55 ILCS 5/3-10005.1	Internal operations of office
55 ILCS 5/3-10005.2	Monthly report of financial status
55 ILCS 5/3-10005.3	Special funds
55 ILCS 5/3-10005.4	Compensation of deputies and employees
55 ILCS 5/3-10007	Annual Stipend
55 ILCS 5/3-10013	Orders to be filled up and authorized
55 ILCS 5/3-10003	Bond – Form
55 ILCS 5/3-10008	Office hours
55 ILCS 5/3-10014	Payment of money
55 ILCS 5/3-10017	Account and settlements
55 ILCS 5/3-10018	Half-yearly settlements
55 ILCS 5/3-10015	Report to County Board
55 ILCS 5/3-10019	Examination under oath
55 ILCS 5/3-10020	Removal for cause – Other vacancy

ESTATE/INHERITANCE TAX

SUMMARY:

The County Treasurer shall receive from an estate where the deceased was a resident on the date of death all taxes, interest and/or penalties. Money received by the end of each month shall then be turned over to the State Treasurer by the 10th of the following month. The State Treasurer provides the County Treasurer with a booklet to explain necessary forms and responsibilities. The book's current title is **ESTATE TAX MANUAL FOR COUNTY TREASURERS** and may be ordered by calling 1-800-252-8919.

Illinois went to an estate tax on January 1, 1983. Prior to that date, our laws dictated the tax as an inheritance tax.

Illinois Compiled Statutes – Chapter 35

Act 405 Illinois Estate and Generation-Skipping Transfer Tax Act

405/13 Collection by county treasurers-Tax Collection distribution fund

ESTATE/INHERITANCE TAX INTRODUCTION

Our areas of shared responsibility in collecting Inheritance Tax and Estate Tax are set out in the Illinois Revenue Code as follows:

Each county treasurer shall transmit to the State Treasurer all taxes, interest or penalties paid to the county treasurer under this Act and in the county treasurer's possession as of the last day of the previous month, together with a report under oath identifying the taxpayer for or by whom an amount was paid. Those amounts and the report shall be transmitted to and received by the State Treasurer by the 10th day of each month. At the same time, a copy of the report shall be furnished to the Attorney General. The report shall be in a form and contain the particulars as the State Treasurer may prescribe. The State Treasurer shall give the county treasurer a receipt for the amount transmitted to the State Treasurer. "If any county treasurer fails to pay the State Treasurer all amounts that may be due and payable under this Act, as required by this Section, the county treasurer shall pay to the State Treasurer, as a penalty, a sum of money equal to the interest on the amounts not paid at the rate of 1% per month from the time those amounts are due by the county treasurer until those amounts are paid....." (35 ILCS 405 /1-18).

This system went into effect with enactment of the Estate Tax Law in 1983, but the deadlines are the same for the Inheritance Tax reports still required for estates with a death date before January 1, 1983, (111. Rev. Stats., Ch. 120 Para. 393).

Accordingly, we are following the procedures listed below:

- For Inheritance Tax and Estate Tax collection reports, we provide the TR-14 form. For Inheritance Tax estate closings, we provide a Receipt Form 222.
- All taxes collected each month must be remitted to the State Treasurer's Office by the 10th of each month. Those amounts and the report shall be **transmitted to and received by** the State Treasurer by the 10th day of each month. If late, a penalty charge of 1% per month from the time those amounts are due by the county treasurer until those amounts are paid will be assessed. It will be levied on the 4% and 6% distributions you receive from the State Treasurer's Office as a collection fee.
- We can offer you assistance in providing answers to questions you may have. Call 1-800-252-8919, our toll-free number in the Accounting Division of the State Treasurer's Office, Springfield, IL 62702.

INSTRUCTIONS FOR REPORTING COLLECTIONS OF INHERITANCE TAX AND ESTATE TAX

Inheritance Tax is assessed on any estate with a Death Date **prior** to January 1, 1983.

Estate Tax is assessed on any estate with a Death Date **on or after** January 1, 1983.

TR-14 forms have (2) uses:

1. Reporting Inheritance Tax/Estate Tax Collections.
2. Reporting “no collections” for the month on Inheritance Tax/ Estate Tax.

REPORT REQUIREMENTS

- A signed TR-14 or TR-14 (Revised 7/2005) must be submitted to our office by the 10th of each month, even if there were no Inheritance Tax or Estate Tax collected during that month. All Estate and Inheritance Tax collections received by the County Treasurer Offices must be remitted on this signed and dated report.
- All columns and figures should be cross checked carefully before you prepare your check.
- All columns and lines should balance both down and across.
- Type the report or print plainly.
- Deposits made on separate dates should be recorded on separate lines.
- Special care should be taken to ensure that information regarding names and dates are reported correctly. (Do not duplicate information from previous reports).
- Do not crowd your report. Use additional lines for AKA/Maiden and leave a blank line between each estate name.
- Fill in the information (County Name and Report Month/Year) on top of both front and back pages.
- If there were no collections for the month, the “NO COLLECTIONS” box on the back of the form must be marked.
- This Report must be signed and dated by the County Treasurer only.

The sample TR-14 (Revised 7/2005) on the next page shows examples of reporting both Inheritance Tax and Estate Tax collections. Step-by-step instructions on how to complete the TR-14 reporting forms follow the sample.

MONTHLY REPORT OF INHERITANCE TAX/ESTATE TAX COLLECTIONS

TR-14

(Revised 7/2005)

TO THE STATE TREASURER

The following is a true and correct account of all Inheritance Taxes and Estate Taxes collected in _____ County, Illinois during the Month of _____, 20____, in accordance with all acts and laws governing both Inheritance Tax and Estate Tax for the State of Illinois.

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7	COLUMN 8	COLUMN 9	
						INHERITANCE TAX PAYMENTS ONLY			
COIT OR AG NUMBER	ESTATE NAME (INCLUDE ANY ALIAS/MAIDEN NAME IN PARENTHESIS)	SOCIAL SECURITY NUMBER OF DECEASED	DATE OF DEATH	DATE OF EACH COLLECTION BY COUNTY TREASURER	DEPOSIT AMOUNT	TOTAL STATUTORY FEES	AMOUNT RETAINED BY CO. TREASURER NOT TO EXCEED \$750 PER ESTATE	AMOUNT REMITTED	
EX. 1	INHERITANCE TAX PAYMENT COLLECTED DURING THIS REPORT RETAINING MONEY.								
78P241	Doe, Jane	###-##-####	05/19/1978	03/30/1979	800.00		750.00	50.00	
								-	
Ex. 2	INHERITANCE TAX MULTIPLE PAYMENTS REMITTING A PAYMENT THIS MONTH AND A PREVIOUSLY RETAINED AMOUNT.								
78P241	Doe, Jane	###-##-####	05/19/1978	03/30/1979	.00		(750.00)	750.00	
				04/23/1979	150.00			150.00	
								-	
Ex. 3	MULTIPLE PAYMENTS OF INHERITANCE TAX COLLECTED DURING THIS MONTH.								
78P241	Doe, Jane	###-##-####	05/19/1978	05/01/1980	1,401.00		750.00	651.00	
				05/15/1980	250.00			250.00	
								-	
EX. 4	INHERITANCE TAX PAYMENT COLLECTED DURING THIS REPORT WITH STATUTORY FEES.								
78P241	Doe, Jane	###-##-####	05/19/1978	05/01/1980	220.00	35.00		185.00	
EX. 5	MULTIPLE PAYMENTS OF ESTATE TAX COLLECTED DURING THIS MONTH.								
95SET00013	Doe, John	###-##-####	07/27/1994	06/27/1995	30,000.00			30,000.00	
				06/30/1995	500.00			500.00	
								-	
EX. 6	CORRECTION OF PAYMENTS TRANSMITTED IN ERROR.								
95SET00014	Doe, Mike	###-##-####	07/09/1991	09/13/1993	(100.00)			(100.00)	
					SUB-TOTAL FOR PAGE	\$33,221.00	\$35.00	\$750.00	\$32,436.00
					GRAND TOTAL OF REPORT	\$33,221.00	\$35.00	\$750.00	\$32,436.00

HOW TO COMPLETE THE TR-14 (revised 7/2005) REPORT FORMS

1. Fill in the County Name and the Report Month & Year at the top of both front and back pages.
2. **Column 1** (COIT/AG number): Please place only the correct Docket Number from a Court Order (Example: 82P101) or the correct AG file number (Example: 05SET00011) for downstate and (05CET00012) for collar counties.
3. **Column 2** (Estate Name): Fill in name of deceased, and include any alias/maiden name and put them in parenthesis. (Use additional line if necessary). Please do not start or complete the name with the word “**Estate**” **Do not crowd your report.**
4. **Column 3** (Social Security number of Deceased): Format example: 000-00-0000
5. **Column 4** (Date of Death of Deceased): Format example: mm-dd-yyyy
6. **Column 5** (Date of each collection): Use the date the payment was received in the County Treasurer’s Office.
7. **Column 6** (Deposit Amount): Amount of each payment collected.
8. **Column 7** (Total Statutory Fees): These are fees collected on an Inheritance Tax Estate. **This only applies to Inheritance Tax payments.**
9. **Column 8** (Amount Retained by County Treasurer not to exceed \$750.00 per estate): **This only applies to Inheritance Tax payments.**
10. **Column 9** (Amount Remitted): The amount being remitted on the report for each estate. (Inheritance and Estate Tax). (This Column should equal the total of Column 6 minus Columns 7 & 8.)
11. **Sub-Total for Page:** Total each column 6 through 9 and type amounts in the Sub-Total line.
12. **Grand Total for Report:** Total amounts of column 6 through 9 Sub-Total lines from each page submitted. If only one page is submitted, carry the totals down from Sub-Total line.
13. **Page ___ of ___ :** Please number all pages. (This will help ensure that you have submitted and we have received the entire report for the month.)
14. **Back of Report:** Fill in the following: County Name; Treasurer’s Name; Month & Year of report being submitted; (For a “No Collections” report, indicate this by marking the box with an X); Treasurer Signature area and date. Please leave the large “Received” box on back of report blank, this is for State Treasurer use only.

Instructions for Receipt Form 222 (Inheritance Taxes Only)

The Receipt Form 222 (next page) indicates full payment of the assessed Inheritance Tax and interest.

Answers to commonly asked questions are:

- All deposits should be shown.
- Do not list any deposits as interest payments.
- Do not make partial receipts for a portion of an estate.
- All information on Receipt Form 222 should coincide with the spelling, date, etc., that was shown previously on Monthly Reports.
- This form should be filled out only after the assessment has been made and all tax and interest has been paid in full.
- The County Treasurer's signature is the certification that the information on the receipt is correct and **the estate is closed** as far as the County Treasurer's records are concerned.

The toll free number is provided to the County Treasurers as a convenience. Due to our commitment of holding governmental operational costs down, we ask that you do not release this number to anyone outside of your office staff. Your cooperation is greatly appreciated.

1-800-252-8919

CONCLUSION

In order to ensure precise, accurate information, not only in your office and the State Treasurer's Office, but also in the Attorney General's Office and the Circuit Clerk's Office, please follow these guidelines:

- Make certain all estate information appears the same way on all documents, (e.g. Monthly Reports, 222 Receipts Form, etc.) When the name is followed by a Jr., Sr., Maiden name or AKA, make certain that the entire name is included on all forms with those additions. (All Jr., Sr., etc. should be reflected at the end of the name. All AKA's and maiden names should be in parenthesis ().
- All changes of spelling, dates, amounts, etc., should be made in writing to this office. You can make the change temporarily by means of a telephone call, but to ensure that all previously reported data is correctly changed a written notation on a report or a correcting letter is required.
- Once the appropriate offices have been contacted, you should make the corrections on all documents and make sure that the corrected information is used in the future.
- A certified report is a TR-14 or TR-14 (Revised 7/2005) that is completely filled out and has the County Treasurer's signature and date on the back.
- A certified report must be submitted monthly, whether or not any collections were made.
- When reporting collections received, do not crowd your report. Use as many spaces as necessary to ensure accurate reporting.
- Always leave at least one blank line between estates for possible correction purposes.
- When reporting no collections received for the month, please mark the "No Collections" box on the back of the form.
- Do not write in the area reserved for "State Treasurer's Use Only", located on the back of the TR-14 or TR-14 (Revised 7/2005) forms.
- If you have any questions or concerns regarding your monthly report, you may contact this office at our Toll-Free number, **1-800-252-8919**.

LOCAL GOVERNMENT
(50 ILCS 345/)
Local Governmental Acceptance of Credit Cards Act.

(50 ILCS 345/1)

Sec. 1. Short title. This Act may be cited as the Local Governmental Acceptance of Credit Cards Act.

(Source: P.A. 90-518, eff. 8-22-97.)

(50 ILCS 345/10)

Sec. 10. Definitions.

"Authorized obligation" means, in connection with a county, city, town, or other similar form of local municipal government, any fine, fee, charge, tax, or cost imposed by, owing to, or collected by or on behalf of a unit of local government. In connection with a community college district, "authorized obligation" means tuition costs, books, charges for meals, and other education or college-related fines, fees, charges, or costs imposed upon or incurred by students or pupils.

"Credit card" means an instrument or device, whether known as a credit card, bank card, charge card, debit card, automated teller machine card, secured credit card, smart card, electronic purse, prepaid card, affinity card, or by any other name, issued with or without fee by an issuer for the use of the holder to obtain credit, money, goods, services, or anything else of value.

(Source: P.A. 90-518, eff. 8-22-97.)

(50 ILCS 345/15)

Sec. 15. Local government credit card acceptance program.

(a) Any unit of local government and any community college district that has the authority to accept the payment of funds for any purpose is authorized, but not required, to accept payment by credit card.

(b) This Act shall be broadly construed to authorize, but not require, acceptance of credit card payments by all units of local government and community college districts.

(c) This Act authorizes the acceptance of credit card payments for all types of authorized obligations.

(d) This Act does not limit the authority of clerks of court to accept payment by credit card pursuant to the Clerks of Court Act or the Unified Code of Corrections.

(e) A local governmental entity may not receive and retain, directly or indirectly, any convenience fee, surcharge, or other fee in excess of the amount paid in connection with the credit card transaction. In addition, a financial institution or service provider may not pay, refund, rebate, or return, directly or indirectly, to a local governmental entity for final retention any portion of a surcharge, convenience fee, or other fee paid in connection with a credit card transaction.

(Source: P.A. 90-518, eff. 8-22-97.)

(50 ILCS 345/20)

Sec. 20. Election by local governmental entities to accept credit cards.

(a) The decision whether to accept credit card payments for any particular type of obligation shall be made by the governing body of the local governmental entity that has

general discretionary authority over the manner of acceptance of payments. The governing body may adopt reasonable rules governing the manner of acceptance of payments by credit card. No decision to accept credit card payments under this Act shall be made until the governing body has determined, following a public hearing held not sooner than 10 nor later than 30 days following public notice of the hearing, that the acceptance of credit card payments for the types of authorized obligations specified in the public notice is in the best interests of the citizens and governmental administration of the local governmental entity or community college and of the students and taxpayers thereof.

(b) The governing body of the entity accepting payment by credit card may enter into agreements with one or more financial institutions or other service providers to facilitate the acceptance and processing of credit card payments. Such agreements shall identify the specific services to be provided, an itemized list of the fees charged, and the means by which each such fee shall be paid. Such agreements may include a discount fee to cover the costs of interchange, assessments and authorizations, a per item processing fee for the service provider, and any other fee, including a payment of a surcharge or convenience fee, that may be applicable to specific circumstances. Any agreement for acceptance of payments by credit cards may be canceled by the governmental entity upon giving reasonable notice of intent to cancel.

(c) An entity accepting payments by credit card may pay amounts due a financial institution or other service provider by (i) paying the financial institution or other service provider upon presentation of an invoice or (ii) allowing the financial institution or other service provider to withhold the amount of the fees from the credit card payment. A discount or processing fee may be authorized whenever the governing body of the entity determines that any reduction of revenue resulting from the discount or processing fee will be in the best interest of the entity. Items that may be considered in making a determination to authorize the payment of fees or the acceptance of a discount include, but are not limited to, improved governmental cash flows, reduction of governmental overhead, improved governmental financial security, a combination of these items, and the benefit of increased public convenience. No payment to or withheld by a financial institution or other service provider may exceed the amounts authorized under subsection (b) of Section 25.

(d) Unless specifically prohibited by an ordinance or rule adopted by the governing body of the local governmental entity, a person may pay multiple tax bills in a single transaction.

(Source: P.A. 90-518, eff. 8-22-97.)

(50 ILCS 345/25)

Sec. 25. Payment of fees by cardholders.

(a) The governing body of a local governmental entity authorizing acceptance of payment by credit card may, but is not required to, impose a convenience fee or surcharge upon a cardholder making payment by credit card in an amount to wholly or partially offset, but in no event exceed, the amount of any discount or processing fee incurred by the local governmental entity. This convenience fee or surcharge may be applied only when allowed under the operating rules and regulations of the credit card involved. When a cardholder elects to make a payment by credit card to a local governmental entity and a convenience fee or surcharge is imposed, the payment of the convenience fee or surcharge shall be deemed voluntary by the person and shall not be refundable.

(b) No fee, or accumulation of fees, that exceeds the lesser of \$20 or 5% of the principal amount charged may be imposed in connection with the issuance of any license, sticker, or permit, or with respect to any other similar transaction. No fee, or accumulation of fees, that exceeds the lesser of \$5 or 5% of the transaction involved may be imposed in connection with the payment of any fine. No fee, or accumulation of fees, in excess of the lesser of \$40 or 3% of the principal amount charged may be imposed in connection with the payment of any real estate or other tax.

(c) Notwithstanding the provisions of subsection (b), a minimum fee of \$1 may be imposed with respect to any transaction.

Notwithstanding the provisions of subsection (b), a fee in excess of the limits in subsection (b) may be imposed by a local governmental entity on a transaction if (i) the fee imposed by the local governmental entity is no greater than a fee charged by the financial institution or service provider accepting and processing credit card payments on behalf of the local governmental entity; (ii) the financial institution or service provider accepting and processing the credit card payments was selected by competitive bid and, when applicable, in accordance with the provisions of the Illinois Procurement Code; and (iii) the local governmental entity fully discloses the amount of the fee to the cardholder.

(Source: P.A. 92-114, eff. 1-1-02.)

(50 ILCS 345/30)

Sec. 30. Relief from underlying obligation. A person who makes a payment by credit card to a local governmental entity shall not be relieved from liability for the underlying obligation except to the extent that the local governmental entity realizes final payment of the underlying obligation in cash or the equivalent. If final payment is not made by the credit card issuer or other guarantor of payment in the credit card transaction, then the underlying obligation shall survive and the local governmental entity shall retain all remedies for enforcement that would have applied if the credit card transaction had not occurred. A person making payment by credit card is not liable for any discount or fee paid to a credit card issuer or other party by a local governmental entity.

(Source: P.A. 90-518, eff. 8-22-97.)

(50 ILCS 345/35)

Sec. 35. Liability of local governmental employees. A local governmental employee who accepts payment by credit card in accordance with this Act and any applicable rules shall not incur personal liability for the final collection of the payment.

(Source: P.A. 90-518, eff. 8-22-97.)

(50 ILCS 345/95)

Sec. 95. (Amendatory provisions; text omitted).

(Source: P.A. 90-518, eff. 8-22-97; text omitted.)

(50 ILCS 345/99)

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

(Source: P.A. 90-518, eff. 8-22-97.)

PUBLIC FUNDS INVESTMENT ACT

CHAPTER 30: FINANCE RECEIPT, INVESTMENT, AND DISBURSEMENT ACT 235, PUBLIC FUNDS INVESTMENT ACT

235/1. “Public Funds” and “Public Agency” defined

§1. The words “public funds”, as used in this Act, mean current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to or in the custody of any public agency.

The words “public agency”, as used in this Act, mean the State of Illinois, the various counties, townships, cities, towns, villages, school districts, educational service regions, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, the Illinois Bank Examiners’ Education Foundation, the Chicago Park District, and all other political corporations or subdivisions of the State of Illinois, now or hereafter created, whether herein specifically mentioned or not. This Act does not apply to pension funds or retirement systems established under the Illinois Pension Code (40 ILCS 5/1-101 et seq.), except as otherwise provided in that Code.

235/2. Authorized investments

§ 2. Authorized investments

(a) Any public agency may invest any public funds as follows:

- (1) in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) in bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
- (3) in interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;¹
- (4) in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature not later than 180 days from the date of purchase, (ii) no more than one-third of the public agency’s funds may be invested in short-term obligations of corporations; or
- (5) in money market mutual funds registered under the Investment Company Act of 1940², provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) or (2) of this subsection and to agreements to repurchase such obligations.

(a-1) In addition to any other investments authorized under this Act, a municipality may invest its public funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district. The bonds shall be registered in the name of the municipality or held under a custodial agreement at

a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

- (b) Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation. Any public agency may invest any public funds in short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificate of which are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of such governing authority, the public funds so invested will be required for expenditure by such public agency or its governing authority. The expressed judgment of any such governing authority as to the time when any public funds will be required for expenditure or be redeemable is final and conclusive. Any public agency may invest any public funds in dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.
- (c) For purposes of this Section, the term “agencies of the United States of America” includes: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.
- (d) Except for pecuniary interests permitted under subsection (f) of Section 3-14-4 of the Illinois Municipal Code ³ or under Section 3.2 of the Public Officer Prohibited Practices Act,⁴ no person acting as treasurer or financial officer or who is employed in any similar capacity by or for a public agency may do any of the following:
 - (1) have any interest, directly or indirectly, in any investments in which the agency is authorized to invest.
 - (2) have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments.
 - (3) receive, in any manner, compensation of any kind from any investments in which the agency is authorized to invest.
- (e) Any public agency may also invest any public funds in a Public Treasurers’ Investment Pool created under Section 17 of the State Treasurer Act.⁵ Any public agency may also invest any public funds in a fund managed, operated,

and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.

- (f) To the extent a public agency has custody of funds not owned by it or another public agency and does not otherwise have authority to invest such funds, the public agency may invest such funds as if they were its own. Such funds must be released to the appropriate person at the earliest reasonable time, but in no case exceeding 31 days, after the private person becomes entitled to the receipt of them. All earnings accruing on any investments or deposits made pursuant to the provisions of this Act shall be credited to the public agency by or for which such investments or deposits were made, except as provided otherwise in Section 4.1 of the State Finance Act ⁶ or the Local Government Tax Collection Act, ⁷ and except where by specific statutory provision such earnings are directed to be credited to and paid to a particular fund.
- (g) A public agency may purchase or invest in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 ⁸ subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered or inscribed in the name of the public agency, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.
- (h) Except for repurchase agreements of government securities which are subject to the Government Securities Act of 1986, no public agency may purchase or invest in instruments which constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of any public agency unless the instrument and the transaction meet the following requirements:
 - (1) The securities, unless registered or inscribed in the name of the public agency, are purchased through banks or trust companies authorized to do business in the State of Illinois
 - (2) An authorized public officer after ascertaining which firm will give the most favorable rate of interest, directs the custodial bank to “purchase” specified securities from a designated institution. The “custodial bank” is the bank or trust company, or agency of government, which acts for the public agency in connection with repurchase agreements involving the investment of funds by the public agency. The State Treasurer may act as custodial bank for public agencies executing repurchase agreements. To the extent the Treasurer acts in this capacity, he is hereby authorized to pass through to such public agencies any charges assessed by the Federal Reserve Bank.
 - (3) A custodial bank must be a member bank of the Federal Reserve System or maintain accounts with member banks. All transfers of book-entry securities must be accomplished on a Reserve Bank’s computer records through a member bank of the Federal Reserve System. These securities must be credited to the public agency on the records of the custodial bank

and the transaction must be confirmed in writing to the public agency by the custodial bank.

- (4) Trading partners shall be limited to banks or trust companies authorized to do business with the State of Illinois or to registered primary reporting dealers.
 - (5) The security interest must be perfected.
 - (6) The public agency enters into a written master repurchase agreement which outlines the basic responsibilities and liabilities of both buyer and seller.
 - (7) Agreements shall be for periods of 330 days or less.
 - (8) The authorized public officer of the public agency informs the custodial bank in writing of the maturity details of the repurchase agreement.
 - (9) The custodial bank must take delivery of and maintain the securities in its custody for the accounts of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and any claims by the custodian are subordinate to the public agency's claims to rights to those securities.
 - (10) The obligations purchased by a public agency may only be sold or presented for redemption or payment by the fiscal agent bank or trust company holding the obligations upon the written instruction of the public agency or officer authorized to make such investments.
 - (11) The custodial bank shall be liable to the public agency for any monetary loss suffered by the public agency due to the failure of the custodial bank to take and maintain possession of such securities.
- (i) Notwithstanding the foregoing restrictions on investment in instruments constituting repurchase agreements the Illinois Housing Development Authority may invest in, and any financial institution with capital of at least \$250,000,000 may act as custodian for, instruments that constitute repurchase agreements, provided that the Illinois Housing Development Authority, in making each such investment, complies with the safety and soundness guidelines for engaging in repurchase transactions applicable to federally insured banks, savings banks, savings and loan associations or other depository institutions as set forth in the Federal Financial Institutions Examination Council Policy Statement Regarding Repurchase Agreements and any regulations issued, or which may be issued by the supervisory federal authority pertaining thereto and any amendments thereto; provided further that the securities shall be either (i) direct general obligations or, obligations the payment of the principal of and/or interest on which are unconditionally guaranteed by, the United States of America or (ii) any obligations of any agency, corporation or subsidiary hereto controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States and provided further that the security interest must be perfected by either the Illinois Housing Development Authority, its custodian or its agent receiving possession of the securities either physically or transferred through a nationally recognized book entry system.

- (j) In addition to all other investments authorized under this Section, a community college district may invest public funds in any mutual funds that invest primarily in corporate investment grade or global government short-term bonds. Purchases of mutual funds that invest primarily in global government short-term bonds shall be limited to funds with assets of at least \$100 million and that are rated at the time of purchase as one of the 10 highest classifications established by a recognized rating service. The investments shall be subject to approval by the local community college board of trustees. Each community college board of trustees shall develop a policy regarding the percentage of the college's investment portfolio that can be invested in such funds. Nothing in this Section shall be construed to authorize an intergovernmental risk management entity to accept the deposit of public funds except for risk management purposes.

¹ 205 ILCS 5/1 et seq.

² 15 U.S. C. A. § 80a-1 et seq.

³ 65 ILCS 5/3-14-4.

⁴ 50 ILCS 105/3.2.

⁵ 15 ILCS 505/17.

⁶ 30 ILCS 105/4.1

⁷ 35 ILCS 715/1 et seq.

⁸ 15 U.S.C.A. § 78a et seq.

235/2.5. Investment policy

§ 2.5 Investment policy.

- (a) Investment of public funds by a public agency shall be governed by a written investment policy adopted by the public agency. The level of detail and complexity of the investment policy shall be appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio. The policy shall address safety of principal, liquidity of funds, and return on investment and shall require that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. In addition, the investment policy shall include or address the following:
- (1) a listing of authorized investments;
 - (2) a rule, such as the "prudent person rule", establishing the standard of care that must be maintained by the persons investing the public funds;
 - (3) investment guidelines that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;
 - (4) a policy regarding diversification of the investment portfolio that is appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;
 - (5) guidelines regarding collateral requirements, if any, for the deposit of public funds in a financial institution made pursuant to this Act, and, if applicable, guidelines for contractual arrangements for the custody and safekeeping of that collateral;

- (6) a policy regarding the establishment of a system of internal controls and written operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the entity;
 - (7) identification of the chief investment officer who is responsible for establishing the internal controls and written procedures for the operation of the investment program;
 - (8) performance measures that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio;
 - (9) a policy regarding appropriate periodic review of the investment portfolio, its effectiveness in meeting the public agency's needs for safety, liquidity, rate of return, and diversification, and its general performance;
 - (10) a policy establishing at least quarterly written reports of investment activities by the public agency's chief financial officer for submission to the governing body and chief executive officer of the public agency. The reports shall include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date;
 - (11) a policy regarding the selection of investment advisors, money managers, and financial institutions; and
 - (12) a policy regarding ethics and conflicts of interest.
- (b) For purposes of the State or a county, the investment policy shall be adopted by the elected treasurer and presented to the chief executive officer and the governing body. For purposes of any other public agency, the investment policy shall be adopted by the governing body of the public agency.
- (c) The investment policy shall be made available to the public at the main administrative office of the public agency.
- (d) The written investment policy required under this Section shall be developed and implemented by January 1, 2000.

235/3. Designation of payee and fund—Registration

§ 3. If any securities, purchased under authority of Section 2 hereof, are issuable to a designated payee or to the order of a designated payee, then the public agency shall be so designated, and further, if such securities are purchased with money taken from a particular fund of a public agency, the name of such fund shall be added to that of such public agency. If any such securities are registerable, either as to principal or interest, or both, then such securities shall be so registered in the name of the public agency, and in the name of the fund to

235/4. Safekeeping and disposition of securities—Payments

§ 4. All securities purchased under the authority of this Act shall be held for the benefit of the public agency which purchased them, and if purchased with money taken from a

particular fund, such securities shall be credited to and deemed to be a part of such fund, and shall be held for the benefit thereof. All securities so purchased shall be deposited and held in a safe place by the person or persons having custody of the fund to which they are credited, and such person or persons are responsible upon his or their official bond or bonds for the safekeeping of all such securities. Any securities purchased by any such public agency under authority of this Act, may be sold at any time, at the then current market price thereof, by the governing authority of such public agency. Except as provided in Section 4.1 of "An Act in relation to State finance", ¹ all payments received as principal or interest, or otherwise, derived from any such securities shall be credited to the public agency and to the fund by or for which such securities were purchased.

¹ 30 ILCS 105/4.1

235/5. Construction of Act

§ 5. This Act, without reference to any other statute, shall be deemed full and complete authority for the investment of public funds, as hereinabove provided, and shall be construed as an additional and alternative method therefore.

235/6. Report of financial institutions

§ 6. Report of financial institutions

(a) No bank shall receive any public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last two sworn statements of resources and liabilities which the bank is required to furnish to the Commissioner of Banks and Real Estate or to the Comptroller of the Currency. Each bank designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which it is required to furnish to the Commission of Banks and Real Estate or to the Comptroller of the Currency; provided, that if such funds or moneys are deposited in a bank, the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the capital stock and surplus of such bank, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any bank in excess of such limitation.

(b) No savings bank or savings and loan association shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a deposit with copies of the last 2 sworn statements of resources and liabilities which the savings bank or savings and loan association is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation. Each savings bank or savings and loan association designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all statements of resources and liabilities which is required to furnish to the Commissioner of Banks and Real Estate or the Federal Deposit Insurance Corporation; provided

that if such funds or moneys are deposited not collateralized or insured by an agency of the federal government shall not exceed 75% of the net worth of such savings bank or savings and loan association as defined by the Federal Deposit Insurance Corporation, and the corporate authorities of a public agency submitting a deposit shall not be discharged from responsibility for any funds or moneys deposited in any savings bank or savings and loan association of such limitation.

- (c) No credit union shall receive public funds unless it has furnished the corporate authorities of a public agency submitting a share deposit with copies of the last two reports of examination prepared by or submitted to the Illinois Department of Financial Institutions or the National Credit Union Administration. Each credit union designated as a depository for public funds shall, while acting as such depository, furnish the corporate authorities of a public agency with a copy of all reports of examinations prepared by or furnished to the Illinois Department of Financial Institutions or the National Credit Union Administration; provided that if such funds or moneys are invested in a credit union account, the amount of all such investments not collateralized or insured by an agency of the federal government or other approved share insurer shall not exceed 50% of the unimpaired capital and surplus of such credit union, which shall include shares, reserves and undivided earnings and the corporate authorities of a public agency making an investment shall not be discharged from responsibility for any funds or moneys invested in a credit union in excess of such limitation.
- (d) Whenever a public agency deposits any public funds in a financial institution, the public agency may enter into an agreement with the financial institution requiring any funds not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer to be collateralized by securities or mortgages in an amount equal to at least market value of that amount of funds deposited exceeding the insurance limitation provided by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer.
- (e) Paragraphs (a), (b), (c), and (d) of this Section do not apply to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Cooperative Computer Center and public community colleges.

235/7. Investment or deposits with or in minority-owned financial institutions

§ 7. When investing or depositing public funds, each custodian shall, to the extent permitted by this Act and by the lawful and reasonable performance of his custodial duties, invest or deposit such funds with or in minority-owned financial institutions within this State.

COUNTY COLLECTOR BOND AND OATH

SUMMARY:

County Collectors/Treasurers should, before taking office, find out what the bond requirements are for their respective counties. The County Clerk should have this on file. Upon finding out what the bond requirements are, a bond must be obtained from an insurance agent. The bond should be in place by the time the oath of office is administered. The County Board must approve the bond. If the Board can't or doesn't approve the bond – the bond may be approved by the County Board Chairman, a Circuit Judge residing in the county, and the County Clerk.

Each Treasurer, before entering office, shall take and subscribe to the oath of affirmation prescribed by Section 3, Article XIII of the Constitution which shall be filed with the County Clerk.

The oath of office is administered by a judge. The Circuit Clerk usually sets the time and place where the oath is to be given. Circuit Clerks are responsible for getting a judge to give the oath.

The oath is to be endorsed on the back of the bond substantially as follows:

I, do solemnly swear, that I will support the Constitution of the State of Illinois, and that I will faithfully discharge the duties of the office of County Collector according to the best of my ability.

Illinois Compiled Statutes – Chapter 35

35 ILCS – 200/19-45

55 ILCS – 5/3-10001

55 ILCS – 5/3-10003

35 ILCS – 200/19-45

35 ILCS – 200/19-50

35 ILCS – 200/19-55

35 ILCS – 200/19-60

35 ILCS – 200/19-65

35 ILCS – 200/19-70

35 ILCS – 100/19-55

TAX SALE PROCESS **(35 ILCS 200/21-110)**

The tax sale process begins when unpaid real estate taxes become delinquent following the final due date. The tax sale process is such where any property that has failed to remain current in tax payments that a lien may be placed upon a property, whereby after a period of time (at least 2 years) ownership of the property might be changed by foreclosure process resulting from the tax sale. 35 ILS 200/21-75

The tax sale process begins with the publishing of the annual notice for judgment and sale. This may occur any time after all taxes have become delinquent on the property and must be published in a newspaper either printed in the township or county where the property is found. The publication must be published once at least 10 days prior to the date of judgment. Included in this published notice must be a date, within 5 business days, that the tax place and time of sale for taxes will occur.

The cost of publishing is regulated by statute 35 ILCS 200/21-117.

A mailed notice of application for sale must be sent at least 15 days prior to judgment. This letter must be mailed by either registered or certified mail containing amount owed on said property. Presentation of proof of this mail is required at time of judgment to the court.

Once the notice has been mailed, the Collector shall collect an additional \$10 fee per parcel by the taxpayer if prior to sale or tax buyer for this incurred expense.

As part of the tax sale, any property whereby no taxes have been paid for at least 2 years, a special sale called a scavenger sale shall be advertised and offered for sale. Every county having such property must offer it at the tax sale at least every two years.

The Collector shall transcribe into the official record by numerical order, along with necessary information required for the sale. This must be completed 5 days before day of application of judgment. All bidders to the tax sale must be registered 10 days in advance by required form of the collector.

The annual tax sale shall be run by the Collector (or by deputy), with assistance of County Clerk (or deputy). The sale only occurs between the hours of 9:00 a.m. to 4:00 p.m. at the Collector's discretion in numerical order. The sale shall determine the interest penalty assessed to the property and is conducted in a reverse bill process beginning at 18% and may go to zero percent.

Property that goes through the sale for wait of a bidder, shall be considered forfeited to the State of Illinois (scavenger sale look at current bond and copy sheet).

Any purchase of property at a tax sale may be assessed an automatic fee of \$10 per parcel for the fund of TAX SALE AUTOMATION FUND. This fee may be used by the Collector to defray the cost of hardware, software, research and development, or cost of

personnel, as well as the cost to provide electronic access to the property tax collection records and delinquent tax sale records.

Additional fees at time of tax sale:

Indemnity Fund shall receive \$20 per parcel and retained in this fund as prescribed in 35 ILCS 200/21-300. This fund may be used only for reimbursing home owner who incurs a loss as a result of the tax sale through no fault of their own.

Sale in Error Fund may be established by the County Board and charged a fee per parcel of up to \$60. This fund can be used only to pay interest and cost related to a sale in error judgment.

**SALES IN ERROR
(35 ILCS 200/21 – 310)**

This is a court remedy for tax sale purchase whereby either by error, or by devaluation of property, EPA issues double assessment or no taxes should have been applied to property, uncertain description, failure to apply payment, or is owed by an exempt governmental agency.

The petition for a sale in error may be brought by the Collector or tax buyer. The Circuit Court will rule as to validity of request then order repayment of consideration where due.

TAX DEFERRAL

SYNOPSIS:

The Senior Citizen's Real Estate Tax Deferral is a program which allows qualified senior citizens to defer all or part of the property taxes and special assessments on their personal residence. It is a form of a loan from the State with a six percent annual interest rate which is to be repaid at the time the property is sold or otherwise ceases to be qualifying property, or recovered from the estate of the taxpayer within one year after the taxpayer's death.

SUMMARY:

To qualify for the tax deferral on residential property (includes condos and cooperatives), persons must: be 65 or older by June 1, of the tax year, have a total household income of \$40,000 or less, have lived in the qualifying property for at least 3 years, own the property solely or jointly with a spouse, have no delinquent real estate taxes on the property, and have fire and casualty insurance on the property.

To apply, the taxpayer must complete two forms, an application and a real estate tax deferral and recovery agreement, and file with the County Treasurer by March 1, each year. The amount of deferral is limited to 80% of the equity in the property. Applications for deferral of special assessments are submitted to the special assessment district who forwards same to County Treasurer along with the special assessment bills. The County Treasurer approves and submits all applications and bills to the State. Liens on the property are filed with the County Recorder by the County Treasurer and the special assessment district, respectively. The State then sends payments to the County Treasurer and special assessment district for their respective deferrals. When payment of the tax deferred amounts plus interest is made by the taxpayer, the State is reimbursed. A release of lien is then sent by the State for the taxpayer to have recorded.

Forms are available from the Department of Revenue.

**Illinois Compiled Statutes –
320 ILCS 30/1 et seq. Senior Citizen's Real Estate Tax Deferral Act**

MAILING TAX BILLS

SYNOPSIS:

Mailing tax bills to owners and to mortgage lenders, mailing bills prior to due dates, number of installments and date of installments, required information on tax bills and change in address for mailing bills.

SUMMARY:

Every Township Collector, and every County Collector in cases where there is no township collector, upon receiving the tax book or books, **SHALL** prepare tax bills showing each (2) installment of property taxes assessed, which shall be filed out in accordance with Section 20-40. A copy of the bill **SHALL** be mailed by the collector, at least (30) days prior to the date upon which unpaid taxes become delinquent, to the owner of property taxed or to the person in whose name the property is taxed. General due date, June 1 and Sept. 1. When the copy of the tax bill is mailed by the collector to the owner or person at or in care of the address of a mortgage lender, the mortgage lender, within 15 (fifteen) days of receiving the copy, **SHALL FURNISH AND MAIL AN ADDITIONAL COPY OF THE BILL TO EACH MORTGAGOR OF THE PROPERTY AT HIS OR HER LAST KNOWN ADDRESS AS SHOWN ON THE RECORDS OF THE MORTGAGE LENDER.** There shall be printed on each bill, a statement itemizing the rate at which taxes have been extended for each of the taxing districts in the county in whose district the property is located, and in those counties utilizing electronic data processing equipment the dollar amount of tax due from the person assessed allocable to each of those taxing districts, including a separate statement of the dollar amount of tax due which is allocable to a tax levied under the Illinois Local Library Act or to any other tax levied by a municipality or township for public library purposes. A separate statement for each of the taxing districts of the dollar amount of tax due which is allocable to a tax levied under the Illinois Pension Code or to any other tax levied by a municipality or township for public pension or retirement purposes. The total tax rate, the total amount of tax due and the amount by which the total tax and the tax allocable to each taxing district differs from the taxpayer's last prior tax bill. The County Treasurer **SHALL** ensure that only those taxing districts in which a parcel of property is located shall be listed on the bill for that property. In all counties, the statement **SHALL** also provide the property index number or other suitable description, the assessment of the property, the equalization factors imposed by the county and by the department and the equalized assessment resulting from the application of the equalization factors to the basic assessment. In all counties which do not classify property for purposes of taxation, for property on which a single family residence is situated the statement **SHALL** also include a statement to reflect the fair cash value determined for the property.

To insure that a person requested a change of the address to which a property tax bill is sent has a legal interest in the property or authority to act on behalf of the owner of the property, the County Collector in every county with less than 300,000 in habitants or less **SHALL** establish and enforce a procedure for requiring identification or certification of the identity of taxpayers who request a change in the address to which

their tax bill is mailed. No change of address **SHALL** be implemented unless the person requesting the change is the owner of the property, a trustee, or a person holding the Power of Attorney from the owner or trustee of the property.

Illinois Compiled Statutes – Chapter 35

200/20-5 Mailing tax bill to owner

200/20-210 Taxes payable in installments

200/21-15 General tax due dates

200/20-10 Mailing to mortgage lenders

200/20-15 Information of Bill

200/20-20 Change in address for mailing tax bills

RESPONSIBILITY OF MORTGAGE LENDER

SYNOPSIS:

When you mail a tax bill to a mortgage company, they are to mail a copy to the owner within 15 days. If you do accelerated billing, only a copy of the final bill is to be mailed to the owner.

SUMMARY:

When the copy of the tax bill is mailed by the Collector to the owner or person at or in care of the address of a mortgage lender, the mortgage lender, within 15 days of receiving the copy, shall furnish and mail an additional copy of the bill to each mortgagor of the property at his or her last known address as shown on the records of the mortgage lender. However, if the property referred to in the copy is situated in a county which uses the estimated or accelerated billing methods, only an additional copy of the bill for the final installment of taxes due with respect to the real property shall be furnished and mailed by the mortgage lender to the mortgagor. A copy may be used by the Collector in receipting for the tax paid, and a copy or record shall be retained by the Collector.

**Illinois Compiled Statutes – Chapter 35
200/20-10 Mailing to mortgage lender**

COLLECTION OF TAXES – PENALTIES

SYNOPSIS:

Some counties have Township Collectors as well as County Collectors. Many County Collectors have the banks in their counties collect taxes as well as collecting in their office. Taxpayers may pay either in person or by mail.

SUMMARY:

Taxes may be satisfied by payment in legal money of the United States, cashier's check, certified check, post office money order, bank money order, by a personal or corporate check drawn on such a bank, or cash to the respective officers who are entitled to receive the tax payments. A County Collector may refuse to accept a personal check within 30 days before a tax sale.

When any person pays the taxes charged on any property, the Collector shall enter the payment in his or her book, specifying by whom paid. Evidence of payment shall consist of taxpayer's canceled check or money order and the receipt, where they exist, together with the entry in the Collector's books. The Collector or deputy shall be required to issue a receipt to a taxpayer only if the taxpayer makes a payment in cash, or the taxpayer requests a receipt as evidence of payment.

The County Collector shall, on the first of every month, report to the County Clerk, in writing the amount of county tax received during the preceding month.

All property upon which the first installment of taxes remains unpaid after the first due date annually shall be deemed delinquent and shall bear interest at the rate of 1 ½ % per month or portion thereof. All property upon which the second installment of taxes remains due and unpaid on the second due date annually, shall be deemed delinquent and shall bear interest after second due date at the same interest rate. All interest collected shall be paid into the general fund of the county.

Illinois Compiled Statutes – Chapter 35

200/20-25 Forms of payment

200/20-40 Record of tax payments

200/20-115 Reports of taxes collected: credits

200/21-15 Penalties

DISTRIBUTION OF TAXES

SYNOPSIS:

The distribution of taxes in counties of 3,000,000 inhabitants and counties of less than 3,000,000 inhabitants. Also the dates of distribution and the penalties for failure to make a timely distribution.

SUMMARY:

In counties with more than 3,000,000 inhabitants the Collector shall on June 1 and the first day of each month thereafter, distribute all taxes to the proper authorities.

However, in counties of less than 3,000,000 inhabitants the Collector shall distribute all taxes within 30 days after collection begins and at 30 day intervals thereafter to the proper taxing districts. The Collector shall invest all taxes when possible and distribute the interest.

The penalty to make a timely distribution is a rate of 0.1% per day on the amount unpaid in distribution. The Collector's bond is liable for the penalty. In counties less than 3,000,000 the penalty is distributed to whom the taxes were collected and in counties over 3,000,000 the penalty is paid to the County Treasurer.

Illinois Compiled Statutes – Chapter 35

200/20-130 Distribution of taxes

200/20-135 Interest on amount collected

200/20-140 Payment due date

200/20-145 Penalty for failure to make distribution

UNKNOWN OWNERS

SYNOPSIS:

Other parties with ownership interests in property which taxes are levied.

SUMMARY:

The taxes, penalties, interests and costs that may accrue shall be a first lien on the property, from and including the first day of January in the year the taxes are levied and until the taxes are paid.

All owners, parties interested, and occupants of any property with tax liens shall be named as a defendant in the foreclosure notice. In case there are other parties with ownership interests in the property, they shall be named in the notice under the designation "unknown owners."

**Illinois Compiled Statutes – Chapter 35
200/21-75 Lien for taxes**

TAX OBJECTIONS

SYNOPSIS

Filing a tax objection complaint for any person desiring to object to all or any part of a property tax for any year, for any reason other than the property is exempt from taxation.

SUMMARY

All taxes must be paid in full before any tax objection can be filed with the Clerk of the Circuit Court, within 75 days after the first penalty date of the final installment of taxes for the year in question.

However, the payment shall not delay or prevent the entry of judgment against the sale of tax delinquent property if the taxes have not been paid prior to the entry of judgment.

All complaints in counties under 3,000,000 must be filed by the plaintiff in 3 copies with the Clerk of the Circuit Court. Also, any complaint shall contain a list of all the taxing districts against which the complaint is directed.

The Circuit Clerk, within 10 days, shall deliver one copy of the complaint to the State's Attorney's Office and one to the County Clerk.

Any objection to an assessment shall not be allowed if the complaint was not first brought before the Board of Review. Then, if the plaintiff wishes, they can file an objection.

No objection shall prevent the delay in the distribution of taxes. If there are no funds available, the refund will be at the next distribution plus 5% interest from the last due date.

Illinois Compiled Statutes – Chapter 35

- 200/23-05 Payment under protest**
- 200/23-10 Tax objections**
- 200/23-15 Tax objection procedure and hearing**
- 200/23-20 Refunds**
- 200/23-25 Tax exempt property**

DELINQUENT NOTICE – NEWSPAPER

SYNOPSIS:

Published notice of annual application for judgment and sale, and the time of publication of notice and costs of publishing delinquent list.

SUMMARY:

At any time after all taxes have become delinquent in any year, the Collector **SHALL** publish an advertisement, giving notice of the intended application for judgment and sale of the delinquent properties. Except as provided below, the advertisement **SHALL** be in a newspaper published in the township or road district in which the properties are located. If there is no newspaper published in the township or road district, then the notice **SHALL** be published in some newspaper in the same county as the township or road district to be selected by the County Collector. When the property is in a city with more than 1,000,000 inhabitants, the advertisement may be in a newspaper published in the same county. When the property is in an incorporated town which has superseded a civil township, the advertisement **SHALL** be in a newspaper published in the incorporated town or if there is no such newspaper, then in a newspaper published in the county. The provisions of this Section relating to the time when the collector shall advertise intended application for judgment for sale are subject to modification by the governing authority of a county in accordance with the provisions of subsection of Section 21-40.

The advertisement **SHALL** be published once at least (10) ten days before the day on which judgment is to be applied for and shall contain a list of the delinquent properties upon which the taxes or any part thereof remain due and unpaid, the names of owners, if known, the total amount due and the year or years for which they are due. In counties of less than 3,000,000 inhabitants, advertisement **SHALL** include notice of the registration requirements for persons bidding at the sale. Properties upon which taxes have paid in full under protest **SHALL** not be included in the list. The Collector **SHALL** give notice that he or she will apply to the Circuit Court on a specified day for judgment against the properties for the taxes, and costs, and for an order to sell the properties for the satisfaction of the amount due, and for a judgment fixing the correct amount of any tax paid under protest.

The Collector **SHALL** also give notice of a date within the next (5) five business days after the date of application on which all the properties for the sale of which an order is made will be exposed to public sale at a location within the county designated by the County Collector, for the amount of taxes and cost due. The advertisement published according to the provisions of this section **SHALL** be deemed to be sufficient notice of the intended application for judgment and of the sale of properties under the order of the court, or for judgment fixing the correct amount of any tax paid under protest. Notwithstanding the provisions of this Section and Section 21-110, in the (10) ten years, following the completion of a general reassessment of property in a county with 3,000,000 or more inhabitants, made under order of the Department, the publication

SHALL be made not sooner than (90) ninety days after the date when all unpaid taxes on property have become delinquent.

A county shall pay the printer for advertising delinquent lists the following fees:

- (1) in all counties, for tracts of land, \$0.40 per column line: and
- (2) for town lots, (i) counties of the first and second class, \$0.40 per column line and (ii) in counties of the third class, \$0.50 per column line, to be taxed and collected as cost.

The printer shall receive for printing the preamble, the descriptive headings, the affidavit and any other matter accompanying the delinquent list, the sum of \$0.40 per line, to be paid by the county.

No costs except the printer's fee shall be charged on any lands or lots forfeited to the State.

Illinois Compiled Statutes – Chapter 35

200/21-110 Published notice of annual application for judgment and sale; delinquent taxes

200/21-115 Times of publications of notice

200/21-117 Cost of publishing delinquent list

NOTICE OF APPLICATION FOR JUDGMENT AND SALE

SYNOPSIS:

Notice of application for judgment and sale is published in a newspaper after all taxes have become delinquent. A notice of application for judgment and sale shall be mailed not less than 15 days before the date of application for judgment and sale of delinquent properties, by registered or certified mail. The advertisement shall be published once at least 10 days before the day on which judgment is to be applied for and shall contain a list of the delinquent properties.

Illinois Compiled Statutes – Chapter 35

200/21-110 Published notice of annual application for judgment and sale; delinquent taxes. Anytime after all taxes have become delinquent, the Collector shall publish an advertisement, giving notice of the intended application for judgment and sale of the delinquent properties.

200/21-115 Times of publication of notice. The advertisement shall be published once at least 10 days before the day on which judgment is to be applied for, and shall contain a list of the delinquent properties upon which the taxes or any part thereof remain due and unpaid, the names of owners, if known, the total amount due, and the year or years for which they are due.

200/21-135 Mailed notice of application for judgment and sale. Not less than 15 days before the date of application for judgment and sale of delinquent properties, the County Collector shall mail, by registered or certified mail, a notice of the forthcoming application for judgment and sale to the person shown by the current Collector's warrant book to be the party in whose name the taxes were last assessed. The County Collector must present proof of the mailing to the court along with the application for judgment.

INDEMNITY FUND

SYNOPSIS:

The Indemnity Fund is established to assist counties to reimburse errors that may occur during the tax sale process. Determination of qualifying errors will always be done by court action with payments being ordered by judgments of the court.

SUMMARY:

The Indemnity Fund is created by a fee at the time of the tax sale. The fee is set by statute based on size of county. In counties under 3,000,000; \$20 per parcel over 3,000,000; \$80 per parcel. This fee is added to the sale price of delinquent taxes and must be paid prior to issuance of a Certificate of Purchase.

The fee is paid to the county collector who turns the money over to the County Treasurer. The Treasurer is the trustee for the fund and is responsible to invest principal and income. The Treasurer is responsible to annually report the funds condition to the Circuit Court. Disbursements only occur to satisfy judgments ordered by the courts.

The indemnity fund may only accumulate a limited amount of funds. Anything in excess of that must be turned over to the country's general fund. The ceiling for counties under 3,000,000 people is \$1,000,000 and over 3 million people is \$2,000,000.

Disbursement from the Indemnity Fund to claimants can only occur by order of the court. In one case a claimant would prove a loss, by issuance of a tax deed, without negligence occurring on their part.

Illinois Compiled Statutes-Chapter 35

- 200/21-285 Tax scavenger sale fraud; definitions
- 200/21-290 Offense of scavenger sale fraud
- 200/21-295 Creation of indemnity fund
- 200/21-300 Amount to be retained in indemnity fund
- 200/21-305 Payments from Indemnity Fund
- 200/21-315 Interest on refund
- 200/21-320 Refund of other taxes paid by holder of certificate of purchase
- 200/21-325 Orders for payment of interest-Counties of 3,000,000 or more
- 200/21-330 Fund for payment of interest
- 200/21-335 Claims for interest and costs
- 200/21-340 Recovery of amount of tax or special assessment paid by purchaser at erroneous sale
- 200/21-345 Right of redemption
- 200/21-350 Period of redemption

TAX SALE AUTOMATION FEE

SYNOPSIS:

A \$10 assessment on property sold for delinquent taxes at the tax sale.

SUMMARY:

The County Collector may assess an automation fee of not more than \$10 per parcel for delinquent taxes at the annual tax sale.

In counties with less than 3,000,000 the fee shall be paid at the time of the purchase of delinquent property. The fee shall be collected in the same manner as other fees or costs.

The fees collected shall be retained by the Treasurer in a fund designated **TAX AUTOMATION FUND** and expended to pay any costs related to the automation of property tax collections and delinquent property tax sales.

Illinois Compiled Statutes – Chapter 35
200/21-245 Automation Fee

TRUSTEE SALES

SYNOPSIS:

The purchase, sale and distribution of taxes, special taxes, assessments, special assessments, costs and penalties by Trustee in the name of the county.

SUMMARY:

After any property is delinquent for 2 or more years, the trustee with the advise and consent of the County Board in the county of which the property's taxes or special assessment have been located, shall purchase the property and take all steps necessary to acquire title to the property. No filing fee is required for the tax deed if the county is the petitioner.

The County Board or its trustee may prohibit the Collector from including the property in the tax sale of one or more subsequent years.

The county may sell or assign the certificate of purchase to any party. The proceeds of the sale of assignment, less all costs incurred in acquisition or assignment of the property, shall be distributed to the taxing districts in proportion to their respective interests.

**Illinois Compiled Statutes – Chapter 35
200/21-90 Purchase and sale by county; distribution of proceeds**

FORFEITED TAXES

SYNOPSIS:

Forfeited taxes are delinquent taxes that have been offered at the annual tax sale, and not sold for want of bidders.

SUMMARY:

Prior year's taxes are to be added to the current year's taxes. The amount due for general taxes on property previously forfeited to the State or otherwise remaining unpaid prior to issuance of the collector's warrant. The additions and sales shall be continued from year to year until the taxes on the property are paid, by sale or otherwise.

Forfeited property is every property offered at public sale and not sold for want of bidders. The County Collector shall receive credit in the settlement with the taxing bodies for which the tax was levied for the amount not realized by the sale.

Record of forfeitures is all properties forfeited to the State at the sale and shall be noted on the Tax Judgment, Sale Redemption and Forfeiture Record.

Redemption of forfeited property: When property has been forfeited for delinquent general taxes, the person desiring to redeem shall apply to the County Clerk who shall order the County Collector to receive from the person the amount of the forfeited general taxes, statutory costs, interest prior to forfeiture, printer's fees thereon and, in addition forfeiture interest at a rate of 12% per year or fraction thereof. The receipt shall not be valid until it is countersigned by the County Clerk.

Partial redemption of forfeited properties. When forfeited taxes on property remain unpaid for one or more years, it is permissible to pay to the County Collector, one or more full years of back or forfeited taxes, interest prior to forfeiture, statutory costs, printer's fees, and forfeiture interest or penalties, attaching thereto beginning with the earliest year for which the taxes are paid.

Illinois Compiled Statutes – Chapter 35

- 200/20-110 Prior year's taxes to be added to the current year's taxes**
- 200/21-225 Forfeited property**
- 200/21-235 Record of Forfeiture**
- 200/21-370 Redemption of forfeited property**
- 200/21-375 Partial redemption of forfeited properties**

SCAVENGER SALES

SYNOPSIS:

The Scavenger Sale Application through judgment for general taxes, special assessments, special taxes, interest, penalties and costs. Conducting the sale, registration for sale, bidding, confirmation of sale, issuance of certificate, recording parcels not sold, tax deed and redemption.

SUMMARY:

After the Collector has applied for the Scavenger Sale Application and entered judgment through the courts, the Collector shall sell those properties at a public sale to the highest bidder for cash and the bid may be less than the full amount of taxes, special taxes, special assessments, interest, penalties and costs.

The Scavenger Sale is very similar to the sale of delinquent taxes, in that almost all the same steps are followed from judgment through the issuance of the tax deed.

Illinois Compiled Statutes – Chapter 35

- 200/21-260 Collector's scavenger sale**
- 200/21-265 Persons ineligible to bid**
- 200/21-270 Registration for sale**
- 200/21-275 Scavenger sale certificate**
- 200/21-280 Scavenger sale ineligible bid liability**
- 200/21-285 Scavenger sale fraud**
- 200/21-290 Offense of scavenger sale fraud**

MOBILE HOME PRIVILEGE TAX

SYNOPSIS:

A defined mobile home that does not qualify as real property shall be taxed by this act. All mobile homes must be registered within the county where harbored.

SUMMARY:

Any defined mobile home **not** sitting on a permanent foundation shall fall under the privilege tax. Exceptions are (1) held by business entity and a personal property tax is already being paid (2) on dealer lots being held for resale. Habitation of the mobile home must be intended for 2 or more months for the privilege tax to apply.

Mobile homes are taxed at a statutory declining rate based on square footage and the age of the mobile home. Mobile home owners have 30 days to report to an appropriate assessor. Licensed mobile home park owners have 5 days from entry to file registration with assessors. Non-park homeowners have 30 days from placement or registration with assessors. Registration is to include location, year manufactured, square footage and date of habitation. Failure of anyone to timely file registration may be subjected to Class A misdemeanor. The assessor, within 7 days of the registration, shall deliver the registration to the County Clerk.

The privilege tax cycle is a current year bill initiated by the county on qualifying mobile homes. The County Clerk shall compute the tax bill. The taxes may be for a partial year. Taxes collected will go proportionally to districts in which the mobile homes are located. Errors in the bill may be contested within 6 months by the owner through an affidavit. Senior citizens 65 years or older are eligible for a 20% reduction, if applied for. Disabled persons who apply are eligible for a 20% reduction. All bills are due and payable to the Treasurer within 60 days of mailing.

The delinquent privilege tax process begins immediately at the due date. At the due date, non-payment of taxes gives the Treasurer reason for a lien. The original lien expires in 12 months, unless the Treasurer files a lien with the County Clerk. The lien stays effective for 10 years or until paid whichever is first. The lien is on all property of the taxpayer. After 6 months from the due date, the Treasurer may seek court settlement. The court determines terms which may include actual sale of the property. Delinquent tax accumulates at 1 ½% per month interest charge plus additional charges. Payment in full stops all the above.

The Mobile Home Act applies to counties under 2,000,000 people. No subsection alone invalidates the whole act. The County Clerk shall receive notice of sale within 10 days of sale. Operators of mobile home parks must notify assessors of any change. No mobile home can be moved without a permit (over a mile.) The permit cannot be issued unless the taxes are paid. Permits are issued by the Treasurer and available from the Secretary of State. Failure to follow statutes is a misdemeanor offense.

Illinois Compiled Statutes – Chapter 35

515/1	Mobile Home Defined
515/2	Mobile Home Park Defined
515/2.1	Permanent habitation defined
515/3-3.5	Mobile home tax – Rate
515/4	Registration process
515/5	Delivery of registration to county clerk
515/6	Computation of tax–Certification of tax–Distribution to local taxing units
616/6.1	Error in tax bill – Affidavit by owner
515/7	Reduction of local services tax – application for reduction
515/8	Delinquent taxes – Lien – Notice – Force and effect of lien – Release
515/9	Interest on delinquent taxes – Penalty for fraud
515/9.1	Application of Act
515/9.2	Partial invalidity
515/10	Notice to county clerk of retail sales
515/10.1	Mobile home park operators; mobile home ownership change; notice
515/11	Necessity of permit, certifying payment of tax prior to moving mobile home Penalty
515/12	Violation of Act – penalty
515/13	Severability
515/14	Short title

DRAINAGE DISTRICTS

SYNOPSIS:

Drainage Districts may be formed to construct, maintain, or repair drains or levees or to engage in other drainage or levee work for agricultural, sanitary or mining purposes.

SUMMARY:

The County Collector will be the treasurer of a drainage district if the district so desires. Your collector bond will cover this duty. You will be reimbursed the actual costs of providing such a service by the drainage district.

The drainage treasurer will bill and collect the drainage taxes. The drainage district will pay for this service. The commissioners of the drainage district will review the books once per year.

Drainage taxes are due June 1 and September 1. Delinquent taxes are charged $\frac{1}{2}$ of 1% per month. Any drainage taxes not paid by September 8th shall be turned over to the Collector and treated as a delinquent tax.

Commissioners are paid out of the drainage funds by a court order from the Circuit Judge.

Drainage districts can roll over yearly assessments in order to pay for a large project or cover emergencies. Funds may be transferred to general corporate funds only by court order.

605/4-37	County Collector to collect assessments
605/4-39	District treasurer; collector
605/4-39	Clerks, treasurers and collectors of districts organized under prior acts
605/5-20	Annual maintenance assessments-Certificates of levy-Extension of assessment
605/5-20.1	Examination of county general tax records
605/5-21	Annual maintenance assessments-Lien-When assessments become due
605/5-24	Delinquent assessments-Report to County Collectors
605/4-13	Pay of commissioners
605/4-25	Contingency fund

CONSTITUTION AND BY-LAWS

Preamble

We, the duly elected and appointed County Treasurers and County Tax Collectors of the various counties of the State of Illinois do hereby form a state association of County Treasurers, County Tax Collectors, past and present and their deputies for the purpose of mutual assistance and to encourage and support all legislation for the improvement and uniform handling of the affairs of the County Treasurer's office and, in turn to better serve the people of our respective counties.

ARTICLE I – NAME

Section 1. This organization shall be known as the Illinois County Treasurers' Association.

ARTICLE II – OBJECTIVE

Section 1. The Illinois County Treasurer's Association is designed to serve as a medium through which to exchange experience and ideas; to study problems of the office; to promote better and more efficient administration of the duties of the office; to encourage and promote legislation seeking to make the office of greater service to the people we serve; and to serve as an instrumentality where by ideas can be translated into action and implemented in a practical way.

ARTICLE III – MEMBERSHIP

Section 1. Any regularly elected or appointed County Treasurer or County Tax Collector past or present shall be eligible for membership.

Section 2. Any duly appointed Deputy County Treasurer, appointed Deputy County Tax Collector upon payment of their dues to the treasurer of this association.

Section 3. Any County Treasurer, Deputy County Treasurer, County Tax Collector, Deputy County Tax Collector shall not be eligible to hold any office in this association unless he or she has been a member in good standing and has been active and attending meetings and conferences of this association.

Section 4. Association members are eligible for membership in this association at a fee of \$100.00 per member and they shall have no vote.

ARTICLE IV – DUES

Section 1. The annual dues shall be fixed by the executive Board in determining the amount of dues the Executive Board shall give due consideration to the relative size of the counties and ability to pay.

Section 2. Annual dues for each Deputy county Treasurer, former Deputy County Treasurer, or former Deputy County Tax Collector shall be fixed separately by the Executive Board and shall be the regular amount.

Section 3. Dues shall be paid on or before January first of each year for the current calendar year.

Section 4. Schedule of dues may be changed more frequently than once annually.

Section 5. Any retired former County Treasurer with eight years or more of consecutive membership in good standing with the Illinois County Treasurers' Association shall be eligible to a membership in the association at a cost per year set by the Illinois County Treasurers' Association. Each year the Treasurer of the Illinois County Treasurers Association shall bill the retired County Treasurers \$5.00 each. Each year after paying the \$5.00 billed they shall then be entitled to receive all mailings about upcoming conferences for that year, and shall then be entitled to receive a billing for the following year.

ARTICLE V – DISBURSEMENTS

Section 1. Title to all property of the association, real, personal, and mixed or every kind and description and wheresoever situated, shall repose in the Executive Board.

Section 2. Disbursements shall not be made without prior approval of the executive Board and then only upon signature of the Treasurer

Section 3. An annual accounting of income and disbursements shall be made to the membership by the Treasurer.

ARTICLE VI – GOVERNING BODY

Section 1. The Executive Board, otherwise referred to herein as the Board of Directors, shall consist of the Past presidents, the President, the Vice presidents, the Secretary, the Treasurer, the Committee Chairpersons, and committee Members. In addition, the Zone Chairpersons shall be members of the Executive Board.

Section 2. The President shall preside at all board meetings.

Section 3. The association shall be organized by zones, which shall meet at least once quarterly under the direction of a chairperson. Each zone shall hold an election for Zone Chairman each November.

ARTICLE VII – OFFICERS

Section 1. The officers of this association shall consist of a President, first, second, third and fourth Vice Presidents, a Secretary and Treasurer, all of whom shall be elected at the annual meeting of this association and they shall hold their respective offices for one year, or until their successors shall be elected and qualified. Starting in 1995 the Officers for the following year shall be elected at the Spring conference. The duly elected Officers shall take office and be sworn in as the last business of the Fall Conference.

Section 2. It shall be the duty of the President to preside at all meetings, appoint all committees and to have general supervision over the affairs of the association.

Section 3. It shall be the duty of the First Vice President to perform the duties of the President in the event of the absence or inability of the latter to be present. She or he shall attend all board meetings of the association.

Section 4. It shall be the duty of the Secretary to keep a record of all business and board of directors meetings, and to safely keep all books and records of the association (INCLUDING AN UPDATED COPY OF THE ICTA BY-LAWS). The Secretary shall prepare a written report to be submitted to the membership at the annual meeting.

Section 5. It shall be the duty of the Treasurer to collect all dues and monies due the association and to safely keep all funds of the association in an account of a reliable bank in his or her community and to pay all bills upon order of the Executive Board, or pursuant to their prior authorization. He or she shall keep full account thereof at the annual meeting of the association and at such other times as may be required by the Executive Board or by law.

ARTICLE VIII – EXECUTIVE BOARD OR BOARD OF DIRECTORS

Section 1. It shall be the duty of the Executive Board to call special meetings when necessary.

Section 2. The Executive Board shall counsel and advise the President, hold title to the property of the association; approve all disbursements; fix the dues of the association and look after the needs and welfare of the association and its members.

Section 3. It shall be the duty of the president to contact any Executive Board member missing several meetings. At the discretion of the President, such person's name may be brought before the Executive Board for removal of their name. The majority vote of the Executive Board shall rule.

Section 4. The voting members of the Executive Board shall consist of the current Officers, Past Presidents, current Committee Chairmen, and current Zone Chairmen.

ARTICLE IX – MEETINGS

Section 1. The President from time to time shall call meetings of the Legislative Committee and the Executive Board for the purpose of considering legislation beneficial to the people being served by the County Treasurers and County Tax Collectors of Illinois and to discuss and consider other problems confronting the members of this association.

Section 2. Special meetings may be held at any time upon call of the majority of the Executive Committee.

Section 3. Zone Chairpersons shall have the duty of calling meetings and conducting seminars on a regular basis at the direction of the Executive Board, or the President.

ARTICLE X – CONFERENCES

Section 1. This Association shall hold its conferences at the same time and place as the conferences of the Illinois Association of County officials, of which organization this association is affiliated. A summer conference may be held each summer for the County Treasurers.

ARTICLE XI – ELECTIONS

Section 1. The election of officers shall be held at a regular session on the second day of the Spring Conference.

Section 2. Nominations for the officers shall be made by the Nomination Committee which consists of ICTA past presidents who are currently holding office as County Treasurers. Nominating Committee shall make its report at the regular session on the second day of the Spring Conference only.

Section 3. The tenure of the office of those elected shall be for one year and terminate at the next succeeding Fall Conference or until a successor has been elected and qualified.

Section 4. At least one member of this Association shall serve on the Executive Board of the Illinois Association of County Officials, of which organization this Association is affiliated.

Section 5. When said opening occur, nomination(s) for representative(s) shall be made by the Nomination Committee and brought before the full membership at the next regularly-scheduled conference session. Nomination from the floor shall also be accepted. Election shall be by majority vote of the membership.

ARTICLE XII – COMMITTEES

Section 1. The President shall appoint the following committee at the conference at which he or she is elected and with the exception of the Nomination Committee he or she shall announce the same upon assumption of duties of his or her office: Audit Committee, Legislative Committee, Constitution and By-Laws Committee, Annual Meeting Committee, Nominating Committee. These shall be known as Constitutional Committee.

Section 2. In addition, the President, or the Executive Board may from time to time appoint ad hoc or temporary committees.

Section 3. The Audit committee shall make a report of its findings at the meeting of each conference or whenever it is deemed necessary by the Audit Committee, the President of the Executive Board.

Section 4. The Nominating Committee shall consist of one County Treasurer from each of the four zones, a Past President, plus two other County Treasurers. For a total of seven members. They shall all be appointed by the President.

ARTICLE XIII - AMENDMENTS

Section 1. This Constitution and By-Laws may be amended at a regular conference by a two-thirds vote of those present, providing the proposed amendments shall have been previously submitted in writing and approved by the Executive Board. All County Treasurers shall be mailed a copy of the proposed changes, at least seven days, before the date of voting on the amendments at the conference.

CODE OF ETHICS

Section 1. The Illinois County Treasurers Association is committed to the highest standards of conduct by and among county treasurers in the performance of their duties. Individual and collective adherence to high ethical standards by public officials including county treasurers is central to the maintenance of public trust and confidence in government.

Section 2. While county treasurers agree on the need for proper conduct, they may experience personal conflict or differing views or loyalties. In such cases the principles contained in this Code of Ethics provide valuable guidance in reaching decisions which are governed, ultimately, by the dictates of the individual conscience of the county treasurer and his or her commitment to the public good. Certain of these ethical principles are best expressed as positive statements: actions which should be taken; courses which should be followed; goals which should permeate both public and private conduct.

Section 3. The Code of Ethics for county treasurers has been created by county treasurers. We express our desire to apply these principles to the day to day conduct of both elected and appointed officials and employees of county government. The Illinois County Treasurers Association recognizes that this Code of Ethics should serve as a valuable reference guide for all those in whom the public has placed its trust.

Section 4. The ethical county treasurer should:

- a. Properly administer the affairs of the county treasurer.
- b. Promote decisions which only benefit the public interest.
- c. Actively promote public confidence in county government.
- d. Keep safe all funds and other properties of the county.
- e. Conduct and perform the duties of the office diligently.
- f. Promptly dispose of the business of the county.
- g. Maintain a positive image to pass constant public scrutiny.
- h. Evaluate all decisions so that the best service or product is obtained at a minimal cost without sacrificing quality and fiscal responsibility.
- i. Inject the prestige of the office into everyday dealings with the public employees and associates.
- j. Maintain a respectful attitude toward employees, other public officials, colleagues, and associates.
- k. Effectively and efficiently work with governmental agencies, political subdivisions, and other organizations in order to further the interest of the county.
- l. Faithfully comply with all laws and regulations applicable to the county and impartially apply them to everyone.

Section 5. The ethical county treasurer should not:

- a. Engage in outside interests that are not compatible with the impartial and objective performance of his or her duties.
- b. Improperly influence or attempt to influence other officials to act in his or her own benefit.
- c. Accept anything of value from any source which is offered to influence his or her action as a public official.

Section 6. The Illinois County Treasurers Association accepts this Code of Ethics for a more positive role in county government. In doing so, we as an organization accept the responsibility that his or her mission is that of servant and steward to the public.