



The Cook County No Cash Bid Program – Cook County Bureau of Economic Development

The Cook County No Cash Bid Program is an economic development tool designed to assist municipalities, and other taxing bodies, in acquiring tax delinquent property for reuse as private development and tax reactivation or for tax exempt municipal use. By assisting the municipalities in the process of acquiring certificates of purchase, Cook County Government is able to help revive areas with new housing and business ventures. These projects generate new property tax and sales tax from parcels that had once been a drain on municipal resources. Over half of the 135 municipalities in Cook County have participated in this process.

The Cook County Board created the No Cash Bid Program in 1991 to assist municipalities and taxing bodies in acquiring title to tax delinquent property. To qualify, property index numbers (PINs) must have at least two years of delinquent taxes, with one of the years having been forfeited at a previous tax sale. Municipal applicants must receive approval for purchase from the Cook County Tax Delinquency Subcommittee and the Board of Commissioners. Through the Illinois State Statute, Cook County is authorized to purchase unpaid taxes through a process that, although uses “no cash”, is equal to all the delinquent taxes, fees and penalties owed to the County and related taxing districts. Cook County enters the No Cash Bid, either at a Scavenger Sale or as an Over-the-Counter purchase, and if successful and the delinquent taxes are not redeemed by the owner, Certificates of Purchase are transferred to the requesting taxing body.

In order to obtain the tax deed and rights to the property, the taxing body must file a petition with the Cook County Circuit Court. If during the court process, a PIN is still not redeemed, a tax deed is issued to the municipality. If done properly, the resulting tax deed is free from any tax liability for the delinquent tax years purchased and subsequent years that may accrue during the process. For example, the period of redemption for vacant land is 6 months. A tax deed may be able to be secured within that timeframe; but, generally, it takes about one year to complete the process. If the municipality intends to retain the property for municipal use or maintains the land until a developer is located, then through application to the Cook County Board of Review, tax exempt status is requested from the State of Illinois. Status reporting is required by Cook County Ordinance.

In 2011, the Cook County Bureau of Economic Development worked with a variety of Cook County departments and elected offices to review over 750 PINs for the No Cash Bid Program. After determining that qualifying delinquent taxes were present, 15 municipalities and the Forest Preserve District of Cook County submitted request packages for 235 properties in hopes they would eventually secure the tax deeds in order to redevelop and improve their areas.

Working together with the Cook County offices of the Assessor, Board of Review, Clerk, State’s Attorney and Treasurer, along with the Cook County Departments of Real Estate and Revenue, Economic Development staff provides due diligence for each package in order to present the No Cash Bid requests to the Finance Tax Delinquency Subcommittee for Cook County Board approval.

Over the years, there have been many successful developments in the 70 municipalities and 3 townships that have participated in the No Cash Bid Program. Redevelopment projects have begun to return properties to the tax rolls as gas station/convenience stores and single family homes; municipal projects like a much needed Community Center, shopping center, First Responder training and operations facility and storm-water management projects, all have brought much needed resources

and services to Cook County residents. Currently the County's NSP program is working with the City of Chicago Heights and other communities to build affordable housing on land that was acquired through the NCB program.

Lately, the NCB program has been assisting municipalities in providing pre-review assistance to determine if PINs qualify for the program before request packages are submitted. This technical assistance clears up delinquent tax issues that can be remedied administratively without the need to work through the legal process. In 2011, the No Cash Bid Program assisted in the removal of over 1,300 PINs incorrectly placed on delinquent lists. Removing delinquent PINs from the tax roll list also saves municipal and county resources by providing more accurate dollar amounts for anticipated property tax allotments and removes the need to monitor the PINs as being tax delinquent. Funds are also brought back into the County when a tax delinquent owner redeems back taxes once the tax sale or formal court proceedings have started.

As the Clerk's Office will discuss, the NCB program has been successful in securing tax deeds for many municipalities. Bringing each participating area up-to-date with reporting will help the County determine what land has already been acquired and is ready for redevelopment.

In your LBAC folder, you will find the NCB Ordinance, Resolution for the Scavenger Sale and the NCB Municipal Checklist and Third Party Requestor form. We will be able to talk about the process and documents in further detail at a later meeting.