



**1-23-500 Abuse of property tax incentive programs.**

(a) Every person who applies for a property tax incentive involving reduced levels of assessed valuation pursuant to the Cook County Real Property Assessment Classification Ordinance, as amended, shall execute an anti-abuse agreement, in a form approved by the corporation counsel. The anti-abuse agreement shall include the following elements:

- i) An acknowledgment by the applicant that the City of Chicago is not obligated to support the applicant's attempt to have the subject property assessed at reduced levels;
- ii) An acknowledgment that, if the subject property is assessed at a reduced rate for tax purposes because of the city's approval of a property tax incentive, the City of Chicago will not receive the full benefit of city -levied property taxes on that portion of the property's true market value;
- iii) A covenant that the applicant will not use the subject property, or allow the subject property to be used, for criminal purposes;
- iv) An agreement that, if the foregoing covenant is violated, to pay to the City of Chicago an amount equal to the difference in city-levied taxes attributable to the reduced level of assessment, calculated from the earliest proven date of the illegal activity and continuing until the sooner of (A) the termination of the reduced assessment period or (B) the owner's transfer of title to the subject property to another party in a bona fide, arm's length transaction.

b) The covenant described in paragraph (iii) of subsection (a) of this section will be deemed violated upon the occurrence of any of the following:

- i) The applicant's conviction of commission or participation in a felony of any nature involving the use of the subject property; or
- ii) The applicant's admission, in any civil or criminal proceeding, of commission or participation in a felony of any nature involving the use of the subject property;
- iii) The applicant knew, or reasonably should have known, that another person engaged in conduct constituting a felony involving the use of the subject property. This requirement is met if the felony was committed by a controlling or managing person of the applicant.

c) A felony will be considered to involve the use of the subject property if:

- i) The felony was actually committed at or on the subject property; or
- ii) Instrumentalities, items taken in the course of the felony, or proceeds of a felony were or are stored on or at the subject property.

d) A transfer of title to the subject property, for purposes of phrase (B) of paragraph (iv) of subsection (a) of this section, shall be considered to be bona fide and at arm's length if all the following conditions are met:

- (i) Neither the transferee nor any controlling or managing person of the transferee has been convicted or

made an admission of committing or participating in the subject felony; and

(ii) No person who was a controlling or managing person of the original applicant is a controlling or managing person of the transferee.

SECTION 3. This ordinance shall take effect 30 days after its passage and approval.