



Office of the City Clerk

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Legislation Text

File #: SO2020-3395, Version: 1

SUBSTITUTE ORDINANCE

WHEREAS, The Cook County Board of Commissioners has enacted the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance, and occupy property that is located within Cook County, Illinois and that is used primarily for industrial or commercial purposes; and

WHEREAS, The County Ordinance requires that, in connection with the filing of an eligibility application with the Assessor for a property tax incentive, the applicant must obtain a resolution from the municipality in which such real estate is located expressly stating, among other things, that the municipality has determined that the incentive is necessary for development to occur on such real estate and that the municipality supports and consents to the incentive classification by the Assessor; and

WHEREAS, Section 74-73 of the County Ordinance permits the suspension, revocation, or cancellation of various tax incentives in several circumstances, including by the Cook County Board at the request of the municipality in which the real estate is located by a municipal resolution; and

WHEREAS, Section 74-73 of the County Ordinance includes a non-exhaustive list of factors that could form the basis of the suspension, revocation, or cancellation of a tax incentive, including violating provisions of the County Ordinance, delinquencies in payment of property taxes, and inaccuracies in economic disclosure statements; and

WHEREAS, The legislative history of the County Ordinance clearly demonstrates that the decision to seek revocation, as well as the process and conditions for revoking such tax incentives, were left to the discretion of the applicable municipality; and

WHEREAS, In addition to the considerations outlined in the County Ordinance, the City is a home rule unit of local government by virtue of Section 6 (a) of Article VII of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs, including valid exercises of the City's police power to protect the health, safety, and welfare of the City's residents; and

WHEREAS, As a home rule unit of government, the City should take into account public policy priorities, such as minority-owned business and women-owned business utilization goals and green building requirements, in deciding whether tax incentives should be approved or revoked; and

WHEREAS, Applicants for tax incentives requiring City Council approval should be held to account for betraying the public trust by engaging in egregious violations of law or acts that jeopardize the health, safety, and welfare of the surrounding community and the City as a whole; and

WHEREAS, In order to protect the residents of the City and be a prudent steward of public funds, the City must ensure that those receiving tax incentives are held to account, not only for fulfilling their promises to the City, but also for acts and omissions that negatively impact the health, safety, and welfare of the residents of the City; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Chapter 2-45 of the City Code is amended by inserting a new section 2-45-165, as follows:

2-45-165 Revocation of Property Tax Incentives.

(a) Purpose and definitions.

(1) This Section establishes the process and procedure for the City to exercise its authority under Section 74-73 of the Cook County Tax Incentive Ordinance, Classification System for Assessment, to request revocation of certain Cook County tax incentive classifications, including Class 6b; Class 6b (special circumstances); Class 6b TEERM; Class 6b SER; Class 6b CEERM; Class 7a; Class 7b; Class 7c; Class 8; Class 8 TEERM and Class 8 CEERM.

(2) For purposes of this Section, "Committee" means the Committee on Economic, Capital and Technology Development.

b) Notice. Following the referral to the Committee of a resolution calling for revocation of a property tax incentive, the Committee shall provide written notice to the applicable taxpayer. Such notice must: (i) include a copy of the filed resolution and the date of the hearing conducted pursuant to subsection (d) of this Section, and (ii) be given to the applicable taxpayer no less than 15 days prior to any hearing conducted pursuant to subsection (d) of this Section.

c) Recommendation. The Commissioner shall review each proposed resolution calling for revocation of a property tax incentive and forward a recommendation on the proposal to the Committee before the Committee's public hearing.

d) Hearing and Final Action. The Committee must hold a public hearing on all resolutions calling for revocation of property tax incentives in accordance with this Section to afford the taxpayer or their representative an opportunity to be heard.

e) Review and Decision-Making Criteria. The act of revoking a property tax incentive is a legislative action that must be made in the best interests of the public health, safety, and general welfare, while also recognizing the rights of individual taxpayers. In reviewing and making decisions on proposed resolutions to revoke a property tax incentive, factors that the Committee may consider include, but are not limited to, the following:

- i) The circumstances outlined in Section 74-73 of the Cook County Code, and failure to comply with the requirements of Sections 74-71 or 74-72 of the Cook County Code;
- ii) Failure to adequately maintain or invest in the project in order to meet, or cause to be met, the stated redevelopment objectives or as otherwise required under any applicable redevelopment

agreement between the City and the taxpayer;

iii) Failure to submit any reports required to be submitted to the County or the City under applicable (aw or any redevelopment agreement between the City and the taxpayer,

iv) An event of default under any applicable redevelopment agreement between the City and the taxpayer; or

v) Failure to comply with any applicable environmental laws or regulations if such environmental laws or regulations are considered in issuing the applicable tax incentive.

(f) Notice to County Board. Following the effective date of a resolution calling for revocation of a property tax incentive, the City Clerk shall forward a copy of such resolution to the Board of Commissioner of Cook County.

SECTION 2. This ordinance shall take effect upon passage and publication.