



# City of Chicago



O2020-3395

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 6/17/2020

**Sponsor(s):** Rodriguez (22)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapter 2-45 by adding new Section 2-45-165 to establish requirements for revocation of certain Cook County tax incentive classifications

**Committee(s) Assignment:** Committee on Economic, Capital and Technology Development

## 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 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 municipal resolution; and

**WHEREAS,** Section 74-73 of the County Ordinance includes a list of non-exhaustive 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.* 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 7a; Class 7b; Class 7c; Class 8; and Class 8 TEERM.

(b) *Authority to File.* A resolution calling for revocation of a property tax incentive may be filed by the Mayor, the Alderman of a Ward in which the applicable property is located, or the Commissioner of the Department of Planning and Development.

(c) *Notice.* Following the filing of a resolution calling for revocation of a property tax incentive, the Committee on Economic, Capital and Technology Development 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 (e) of this section, and (ii) be given to the applicable taxpayer no less than 15 days prior to any hearing conducted pursuant to subsection (e) of this section.

(d) *Recommendation.* The Commissioner of the Department of Planning and Development shall review each proposed resolution calling for revocation of a property tax incentive and forward a recommendation on the proposal to the Committee on Economic, Capital and Technology Development before the Committee's public hearing. The Committee on Economic, Capital and Technology Development shall forward the recommendation of the Commissioner to the City Council when the report of the Committee on Economic, Capital and Technology Development is initially submitted to the City Council.

(e) *Hearing and Final Action.* The Committee on Economic, Capital and Technology Development must hold a public hearing on all resolutions calling for revocation of property tax incentives in accordance with subsection (c) of this section to afford the taxpayer or their representative an opportunity to be heard. The City Council is the final decision-making body on such resolutions. The City Council may act by simple majority vote.

(f) *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 on Economic, Capital and Technology Development may consider include, but are not limited to, the following:

(i) Failure to comply with the requirements of Section 74-71 or 74-72 of the Cook County Code;

(ii) Delinquency in the payment of any property taxes administered by Cook County or by the City;

(iii) Inaccuracies or omissions in documents submitted by the taxpayer, including, but not limited to, the application and the Economic Disclosure Statement;

(iv) Failure to adequately maintain or invest in the project in order to meet the stated redevelopment objectives;

(v) Failure to comply with any applicable goals, commitments, or reporting criteria related to minority-owned businesses, women-owned businesses, business enterprises owned or operated by people with disabilities, disadvantage business enterprises, or veteran-owned businesses;

(vi) Failure to comply with any applicable goals, commitments, or reporting criteria related to city resident employees; or

(vii) If environmental remediation is part of the reason for granting the tax incentive, failure to comply with any applicable environmental laws or regulations.

(g) *Notice to County Board.* Following passage and approval by the City Council of a resolution calling for revocation of a property tax incentive, the City Clerk shall forward, without delay, a copy of such adopted resolution to the Board of Commissioner of Cook County.

**SECTION 2.** This ordinance shall take effect upon passage and approval, and, pursuant to Section 74-73 of the County Ordinance, the revocation of the Tax Incentive Classification shall be deemed null and void for the tax year in which the Cook County Board revoked the incentive as to the subject property.



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MICHAEL RODRIGUEZ  
Alderman, 22nd Ward