

24-3623
ORDINANCE AMENDMENT

Sponsored by

**THE HONORABLE TONI PRECKWINKLE, PRESIDENT AND STANLEY MOORE,
COUNTY COMMISSIONER**

TAX INCENTIVE ORDINANCE AMENDMENT

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74 TAXATION, ARTICLE II REAL PROPERTY TAXATION, DIVISION 2 CLASSIFICATION SYSTEM FOR ASSESSMENT, Sec. 74-63; Sec. 74-64; Sec. 74-65; Sec. 74-71 and Sec. 74-73 of the Cook County Code is hereby amended as follows:

Sec. 74-63. Assessment classes.

Real estate is divided into the following assessment classes:

- (14) Class 8 MICRO. Real estate used for the manufacture, research or development of semiconductors, microchips, quantum computers, associated component parts, and services provided in support thereof in a manner consistent with 35 ILCS 45/Art. 110, the Manufacturing Chips for Real Opportunity Act (the "MICRO Act"), consisting of all buildings or other structures, including the land upon which they are situated.
- a. Real estate qualifies when it is located in an area which has been certified as in need of substantial revitalization in accordance with the provisions of Subsection 74-65(i);
 - b. To qualify for a Class 8 MICRO classification, the project must meet the minimum eligibility requirements identified in 35 ILCS 45/110-20(c) and the applicant shall have entered into an agreement with the State Department of Commerce and Economic Opportunity pursuant to 35 ILCS 45/110-45(a).
 - c. An applicant must obtain an Ordinance, Resolution or letter from an authorized officer from the unit of local government in which the real estate is located that:
 - 1. Describes the redevelopment objective of the municipality;
 - 2. States the applicant's intended use of the property; and
 - 3. States that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or County Board, as the case may be.
 - d. A certified copy of the Ordinance or Resolution or letter from the authorized officer from the unit of local government in which the real estate shall be included with the Class 8 MICRO application and submitted to the Cook County Bureau of Economic Development for verification. A copy

thereof shall be transmitted to the Assessor's Office in support of the application for the classification.

- e. In order to determine eligibility for Class 8 MICRO, the application for Class 8 MICRO shall be submitted to the Assessor. The applicant must demonstrate that the project qualifies for the Class 8 MICRO classification. The Assessor shall review the application and other appropriate documentation in determining the eligibility of the project for inclusion in Class 8 MICRO under this Division.
- f. This classification shall continue for a period of 30 years from the later of the completion of construction as evidenced by a certificate of occupancy or its equivalent, or, the submission of an executed Class 8 MICRO agreement to the Assessor's Office.
- g. The Class 8 MICRO classification is not renewable.
- h. The Assessor may adopt rules consistent with this subsection necessary to ensure proper review of all factors relevant to determine eligibility for the benefits provided under Class 8.
- i. The certification of an area as in need of substantial revitalization when the MICRO 8 classification is granted need not be extended or renewed for the classification to remain in effect.
- j. The Applicant must submit a copy annually of the report required pursuant to 35 ILCS 45/110-75(a) to the Assessor's Office, the Secretary of the County Board for distribution to members of the County Board from the affected districts, and the municipality in which the project is located.
- k. If a property that is classified as a Class 8 MICRO transfers ownership, the transferee must establish use and compliance with 35 ILCS 45/Art. 110, the MICRO Act, in order for the classification to apply for the duration of the classification period. In the case of a transfer of property that is classified under this provision, the transferee must notify the Assessor of the change in ownership and use within 90 days. If the transferee does not establish the property's use and compliance with the Class 8 MICRO classification, including any applicable agreement with the State Department of Commerce and Economic Opportunity, the classification will terminate.

~~(14)~~ (15) *Class 9.* All real estate otherwise entitled to Class 3 classification under this division, provided that such real estate, consisting of land and existing buildings and structures is multifamily residential real estate; either has undergone major rehabilitation, or is new construction, or both; has at least 35 percent of the dwelling units leased at rents affordable to low- or moderate-income persons or households; and is in substantial compliance with all applicable local building, safety and health requirements and codes.

~~(15)~~ (16) *Class 5.* Real estate otherwise entitled to Class 3 classification under this division, consisting of land and existing buildings and structures, which is has been subject to a Section 8 contract renewal. The portion of the land and building eligible for the incentive shall be in such proportion as the number of Section 8 units bears to the total number of units. The proportion shall be applied only to property used for residential purposes, and not to portions of the property, if any, used for commercial purposes.

~~(16)~~(17) *Class L.* Real estate which is to be used for commercial or industrial purposes and which is designated as Class 3, Class 4, Class 5a or Class 5b pursuant to this Division; is a landmark or contributing building; and has undergone substantial rehabilitation. The substantial rehabilitation must constitute an investment by the owner of at least 50 percent of the building's full market value as determined by the Assessor in the assessment year prior to the commencement of the substantial rehabilitation.

~~(17)~~(18) *Class 10.* Used as a licensed bed and breakfast, as defined under the laws of the Cook County municipality where the property is situated, or registered as a Bed and Breakfast with the State of Illinois Bed and Breakfast Act, as established under 50 ILCS 820/1 et seq., the Illinois Bed and Breakfast Act, with six rentable units or less and with all said units contained in one improvement where none of the units is owner occupied and a Homeowner's Exemption pursuant to the Illinois Property Tax Code, Chapter 35, Title 4, Article 15 shall be available if allowed by law, provided a Bed and Breakfast is not required to be qualified for Homeowner Exemptions.

Sec. 74-64. Market value percentages.

The Assessor shall assess, and the Board of Review shall review, assessments on real estate in the various classes at the following percentages of market value:

- (1) Class 1: Ten percent.
- (2) Class 2: Ten percent.
- (3) Class 3: Sixteen percent in tax year 2009, 13 percent in tax year 2010, ten percent in tax year 2011, and subsequent years.
- (4) Class 4: Twenty percent. This change shall be effect on January 1, 2018.
- (5) Class 5a: Twenty-five percent.
- (6) Class 5b: Twenty-five percent.
- (7) Class 6b: Ten percent for first ten years and for any subsequent ten-year renewal periods; if the incentive is not renewed, 15 percent in year 11 and 20 percent in year 12.
- (8) ~~Class (14)s~~ C: Industrial properties: Ten percent for first ten years, 15 percent in year 11 and 20 percent in year 12; commercial properties: ten percent for first ten) years, 15 percent in year 11 and 20 percent in year 12.
- (9) Class 7a: Ten percent for first ten years, 15 percent in year 11 and 20 percent in year 12.
- (10) Class 7b: Ten percent for first ten years, 15 percent in year 11 and 20 percent in year 12.
- (11) Class 7c: Ten percent for first three years, 15 percent in year four and 20 percent in year five.

- (12) Class 7d: Ten percent for first ten years and for any subsequent ten-year renewal period; if the incentive is not renewed, 15 percent in year 11 and 20 percent in year 12. If the incentive is renewed: ten percent through the first ten years of the renewed incentive, 15 percent in year 11 of the renewed incentive and 20 percent in year 12 of the renewed incentive.
- (13) Class 8: Ten percent for first ten years and for any subsequent ten-year renewal periods; if the incentive is not renewed, 15 percent in year 11 and 20 percent in year 12.
- (14) Class 8 MICRO: Ten percent for 30 years with no renewal periods.
- ~~(14)~~(15) Class 9: Ten percent for an initial ten-year period, renewable upon application for additional ten-year periods.
- ~~(15)~~(16) Class S: Ten percent for the term of the Section 8 contract renewal under the mark up to market option, as defined herein, and for any additional terms of renewal of the Section 8 contract under the mark up to market option.
- ~~(16)~~ (17) Class L, renewable properties: Ten percent for first ten years and for any subsequent ten-year renewal periods; if the incentive is not renewed, 15 percent in year 11 and 20 percent in year 12; commercial properties: Ten percent for first ten years, 15 percent in year 11 and 20 percent in year 12.
- ~~(17)~~ (18) Class 10: Ten percent.

Sec. 74-65. Qualifications for commercial development project status.

- (i) To be certified as an area in need of substantial revitalization for purposes of Class 8 or Class 8 MICRO classification it is necessary that:

Sec. 74-71. Laws regulating the payment of wages.

- (a) Living wage requirement.
- (1) Unless expressly waived by the County Board, any Employer occupying a property that receives a property tax incentive for Class 6b industrial property, Class 8 industrial property, Class 8 MICRO, or Class 9 multifamily residential property shall pay not less than the Living Wage, as defined in the Cook County Procurement Code (Cook County, Ill., Code, Ch. 34, Art. IV, Div. 1 § 34-121), to each of its onsite Employees, unless such Employees' Wages are governed by Federal or State prevailing wage law. For purpose of this Section, the term "Employee" shall mean an Employee who performs duties or services for an Employer on average at least 30 hours per week in any two-week period for which the Employee is paid; "hours per week" shall mean hours for which an Employee is paid or entitled to payment by the Employer for a period of time during which no duties are performed by the Employee due to vacation, holiday, illness, incapacity, jury duty, military duty or approved leave of absence.

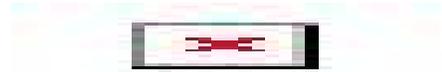
Sec. 74-73. Suspension, revocation or cancellation of incentive classification.

- (a) The following Incentive Classifications are subject to suspension, revocation or cancellation herein pursuant the provisions of this section: Class 6b; Class 6b (special circumstances); Class 6b TEERM; Class 6b SER; Class 7a; Class 7b; Class 7c; Class 7d; Class 8; and Class 8 MICRO ~~Class 8 TEERM~~.
- (b) The incentive may be suspended, revoked, or cancelled by the Assessor under the following circumstances:
- (1) By rule, as provided by the Assessor;
 - (2) By the County Board by Resolution or Ordinance, which is based on a report from the Bureau of Economic Development that has been approved by the Economic Development Advisory Committee of the County;
 - (3) By the County Board by Resolution or Ordinance at the request of the Municipality by submission of a Municipal Resolution or Ordinance;
 - (4) By request of the taxpayer to cancel;
 - (5) Beginning in the 2019 assessment year and for all subsequent assessment years, upon application of the municipality in which a property is located finding that the owner(s), which has received a reduction in its assessed valuation due to receiving a property tax incentive as classified in Subsection 74-73(a) for two consecutive tax years and has not provided evidence to the municipality that the owner has progressed in the leasing, development or sale of the property as contemplated in the incentive classification application submitted by the owner(s), the Assessor may suspend the property tax incentive relating to the property for a period not to exceed two years, subject to a subsequent application to the Assessor by the owner(s) of said property to restore the incentive, which application is supported by documentation of development or occupancy. After a period of two years from the date of such suspension, if said restoration application by the owner(s) is not received, the property tax incentive shall be revoked.
- (c) A basis for revocation pursuant to Subsection 74-73(b)(2) or (b)(3) above includes, but is not limited to, the following:
- (1) Failure to comply with the requirements of Section 74-71 or 74-72;
 - (2) Delinquency in the payment of any property taxes administered by Cook County or by a local municipality; or
 - (3) Inaccuracies or omissions in documents submitted by the taxpayer, including, but not limited to, the application and the Economic Disclosure Statement.
- (d) Class 8 MICRO is additionally subject to revocation should the State of Illinois' Department of Commerce and Economic Opportunity provide notice that it has revoked or suspended the benefits due to an uncured default to the MICRO Project under the terms of their MICRO agreement pursuant to 35 ILCS 45/110-70.

~~(d)~~ (e) During such period as the Incentive Classification is suspended, the Assessor shall treat the subject property as a Class 5 property for any tax year in which the suspension is in effect. In case of revocation or cancellation, the Incentive Classification shall be deemed null and void for the tax year in which the incentive was revoked or cancelled as to the subject property. In such an instance, the taxpayer shall be liable for and shall reimburse to the County Collector an amount equal to the difference in the amount of taxes that would have been collected had the subject property been assessed as a Class 5 property and the amount of taxes collected under the Incentive Classification as determined by the Assessor.

Effective date: This ordinance shall be in effect immediately upon adoption.

Approved and adopted this 19th of September 2024



TONI PRECKWINKLE, President
Cook County Board of Commissioners

(S E A L)

A handwritten signature in black ink that reads "Cedric Giles".

Attest
Cedric Giles
Chief Deputy Clerk