

PROPOSED SECOND SUBSTITUTE TO ITEM 18-4201
Finance Committee 6/26/18

PROPOSED ORDINANCE

Presented by: SEAN M. MORRISON, County Commissioner

AMENDMENT TO SECTION 74-63 ASSESSMENT CLASSES

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, SECTION 74-63 ASSESSMENT CLASSES of the Cook County Code is hereby amended as Follows

Sec. 74-63. - Assessment classes.

Real estate is divided into the following assessment classes:

- (1) *Class 1.* Unimproved real estate.
- (2) *Class 2.* Real estate:
 - a. Used as a farm;
 - b. Used for residential purposes when improved with a house, an apartment building of not more than six living units, or residential condominium, a residential cooperative or a government subsidized housing project, if required by statute to be assessed in the lowest assessment category;
 - c. Improved with a building put to commercial and residential use, of six or less units where the building measures less than 20,000 square feet of above grade space; or
 - d. Real estate improved with a single room occupancy building, as defined in this division, provided that:
 1. At least one-third of the single room occupancy units are leased at no more than 80 percent of the current "Fair Market Rent Schedule for Existing Housing for Single Room Occupancy Units" as set by the United States Department of Housing and Urban Development (hereinafter "FMR schedule");
 2. No single room occupancy units are leased at rents in excess of 100 percent of the current FMR schedule;
 3. The overall maximum average rent per unit for all single room occupancy units in the building shall not exceed 90 percent of the current FMR schedule; and
 4. The subject property is in substantial compliance with all local building, safety and health codes and requirements.
 - e. Used as a licensed bed and breakfast, as defined under the laws of Cook County municipality where the property is situated, or registered as a Bed & Breakfast with the State of Illinois under the statute 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 one of the units is owner occupied and where the owner occupant is entitled to a Homeowner's Exemption pursuant to the Illinois Property Tax Code,

Chapter 35, Title 4, Article 15, provided a Bed and Breakfast is not required to be qualified for Homeowner Exemptions.

In the event that the owner fails to comply with these requirements, the Class 2 classification shall be revoked.

- (3) *Class 3.* All improved real estate used for residential purposes which is not included in any other class.
- (4) *Class 4.* Real estate owned and used by a not-for-profit corporation in furtherance of the purposes set forth in its charter unless used for residential purposes or operating as a golf course and/or driving range. If such real estate is used for residential purposes, it shall be classified in the appropriate residential class.
- (5) *Class 5a.* All real estate not included in Class 1, Class 2, Class 3, Class 4, Class 5b, Class 6b, Class C, Class 7a, Class 7b, Class 7c, Class 8, Class 9, Class S or Class L of this Section.
- (6) *Class 5b.* All real estate used for industrial purposes as defined herein and not included in any other class.
- (7) *Class 6b.* Real estate used primarily for industrial purposes, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.
 - a. An applicant must obtain from the municipality in which the real estate is located or the County Board if the real estate is located in an unincorporated area, an Ordinance or Resolution expressly stating that the municipality or County Board, as the case may be, has determined that the incentive provided by Class 6b is necessary for development to occur on that specific real estate and that the municipality or County Board, as the case may be, supports and consents to the Class 6b application to the Assessor.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

A certified copy of the Ordinance or Resolution need not be filed at the time of filing the Class 6b eligibility application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 6b. If the Resolution is not filed at the time of the eligibility application, the applicant shall instead file, at that time, a letter from the municipality or the County, as the case may be, confirming that a Resolution or Ordinance supporting the incentive has been requested. If the real estate is located within an Industrial Growth Zone, prior to filing a Class 6b eligibility application with the Assessor and in lieu of an Ordinance or Resolution, an applicant may obtain from an authorized officer of the municipality or an authorized officer of the Cook County Bureau of Economic Development if the real estate is located in an unincorporated area, a letter stating that the municipality or the County Board, as the

case may be, supports and consents to the filing of the Class 6b application with the Assessor. Such authorized officer shall have been designated by the legislative body of the municipality or, in the case of an unincorporated area, by the Cook County Board.

A copy of the authorized officer letter and a certified copy of the legislative action designating the authorized officer shall be included with the Class 6b application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor. The applicant must demonstrate that the industrial development project qualifies for the Class 6b classification.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;
 2. State the applicant's intended use of the property; and
 3. State 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.
- b. Following verification that the Class 6b application is in an Industrial Growth Zone and has been properly submitted with a letter from an authorized officer and a certified copy of the legislative action designating the authorized officer, the Bureau of Economic Development will forward the application to the Assessor's Office for filing.

A copy of the Resolution or letter confirming that a Resolution has been requested, or the letter from an authorized officer if the real estate is in an Industrial Growth Zone, along with and a certified copy of the legislative action designating the authorized officer, whichever is filed with the application, will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to the members of the County Board from the affected districts.

- c. Class 6b applications for newly constructed or substantially rehabilitated buildings and other structures must be made to the Assessor within one year prior to the commencement of such new construction or substantial rehabilitation to qualify for a Class 6b incentive. With respect to abandoned property, the Class 6b application must be made to the Assessor prior to the commencement of the reoccupation of the vacant and unused property.
- d. In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify finding that the property is deemed "abandoned" for purpose of Class 6b, unless:
1. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
 2. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

The finding of abandonment, along with the specification of the special circumstances, shall be included in the Resolution or Ordinance supporting and consenting to the Class 6b application. If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "abandoned" for purposes of Class 6b, and a County Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate

such a finding that the property is deemed "abandoned" for purposes of Class 6b and provide a County Resolution to that effect. A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or Resolution validating such a finding that the property is deemed "abandoned" for purposes of Class 6b need not be filed at the time of filing the Class 6b eligibility application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 6b. If the Resolution is not filed at the time of the Class 6b eligibility application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

If the real estate is located within an Industrial Growth Zone, prior to filing a Class 6b eligibility application with the Assessor and in lieu of an Ordinance or Resolution, an applicant may obtain from an authorized officer of the municipality or an authorized officer of the Cook County Bureau of Economic Development if the real estate is located in an unincorporated area, a letter stating that the municipality or the County Board, as the case may be, supports and consents to the filing of the Class 6b application with the Assessor. Such authorized officer shall have been designated by the legislative body of the municipality or, in the case of an unincorporated area, by the Cook County Board.

A copy of the authorized officer letter and a certified copy of the legislative action designating the authorized officer shall be included with the Class 6b application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

Following verification that the Class 6b application is in an Industrial Growth Zone and has been properly submitted with a letter from an authorized officer and a certified copy of the legislative action designating the authorized officer, the Bureau of Economic Development will forward the application to the Assessor's Office for filing. A certified copy of the legislative action designating the authorized officer and the authorized officer letter shall be included with the Class 6b application at the time of filing the application with the Assessor. The applicant must demonstrate that the industrial development project qualifies for the Class 6b classification.

Temporary Emergency Economic Recovery Modification (TEERM) Program: In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify finding that the property is deemed "abandoned" for purpose of a Class 6b under the TEERM Program if:

1. There has been no purchase for value; and
2. The buildings and other structures have been vacant and unused for at least 12 continuous months.

The finding of abandonment, along with the specification of the special circumstances, and a determination that the applicant's participation in the TEERM Program is necessary for the development to occur, and that without such designation the industrial enterprise would not be economically viable causing the property to be in imminent risk of remaining vacant and unused, shall be included in the Resolution or Ordinance supporting and consenting to the Class 6b application under the TEERM Program.

In addition, the Ordinance or Resolution where applicable shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "abandoned" for purposes of Class 6b, and a County Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a finding that the property is deemed "abandoned" for purposes of Class 6b and provide a County Resolution to that effect. A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or Resolution validating such a finding that the property is deemed "abandoned" for purposes of Class 6b need not be filed at the time of filing the Class 6b application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 6b. If the Resolution is not filed at the time of the Class 6b application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

Critical Emergency Employee Retention Modification (CEERM) Program: In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify finding that the property is deemed "abandoned" for purpose of a Class 6b under the CEERM Program if:

1. There has been no purchase for value; and
2. The buildings and other structures have been vacant and unused for at least 3 continuous months; and
3. The applicant has provided sufficient documentation to establish that such applicant will create or maintain at least 250 jobs for employees at the subject location. For purposes of this Section, the term "employee" shall mean an individual who performs duties or services at the subject location on average at least 30 hours per week in any two-week period for which such individual is paid; "hours per week" shall mean hours for which an individual is paid or entitled to payment for a period of time during which no duties are performed by

such individual due to vacation, holiday, illness, incapacity, jury duty, military duty or approved leave of absence.

The finding of abandonment, along with the specification of the special circumstances, and a determination that the applicant's participation in the CEERM Program is necessary for the development to occur, and that without such designation the industrial enterprise would not be economically viable causing the property to be in imminent risk of remaining vacant and unused, shall be included in the Resolution or Ordinance supporting and consenting to the Class 6b application under the CEERM Program.

In addition, the Ordinance or Resolution where applicable shall:

1. Describe the redevelopment objective of the municipality; and
2. State the applicant's intended use of the property; and
3. State that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or the County Board, as the case may be.

The CEERM Program shall be limited to the party who is the initial applicant of the Class 6b incentive under the CEERM Program and the subject of the municipal Resolution or Ordinance.

If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "abandoned" for purposes of Class 6b, and a County Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a finding that the property is deemed "abandoned" for purposes of Class 6b under the CEERM Program and provide a County Resolution to that effect. A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or resolution validating such a finding that the property is deemed "abandoned" for purposes of Class 6b need not be filed at the time of filing the Class 6b application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 6b. If the Resolution is not filed at the time of the Class 6b application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

Sustainable Emergency Relief (SER) Program: In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify finding that the property is deemed "qualified" for purpose of Class 6b under the SER Program if:

1. The industrial enterprise that occupies the premises has been at the same location for a minimum of ten years prior to the date of application for the SER Program; and
2. The industrial enterprise that occupies the premises submits evidence of hardship supporting a determination that participation in the SER Program is necessary for the industrial enterprise to continue operations at its current location and maintain its staff, and that without such designation the industrial enterprise would not be economically viable causing the property to be in imminent risk of becoming vacant and unused.

The finding that a property is qualified, along with the specification of the special circumstances, and a determination that the applicant's participation in the SER Program is necessary for the industrial enterprise to continue operations at its current location and maintain its staff, and that without such designation the industrial enterprise would not be economically viable causing the property to be in imminent risk of becoming vacant and unused, shall be included in the Resolution or Ordinance supporting and consenting to the Class 6b application under the SER Program.

In addition, the Ordinance or Resolution where applicable shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "qualified" for purposes of Class 6b, and a County Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a finding that the property is deemed "qualified" for purposes of Class 6b and provide a County Resolution to that effect. A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or Resolution validating such a finding that the property is deemed "qualified" for purposes of Class 6b need not be filed at the time of filing the Class 6b application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 6b. If the Resolution is not filed at the time of the Class 6b application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

~~Applications for Class 6b incentives pursuant to the TEERM Program or SER Program must be received by the Assessor's Office on or before November 30, 2018 to receive consideration.~~

The Assessor shall provide by rule for the filing of annual reports by recipients of Class 6b incentives granted pursuant to the SER Program as to the use of the property and the number of persons employed at the Class 6b site. In such reports, recipients shall be required to certify whether the industrial enterprise that occupied the premises at the time of the SER application continues its operations at that location. In addition, recipients of Class 6b incentives granted pursuant to the SER Program shall be required to report to the

Assessor within 30 days if the industrial enterprise that occupied the premises at the time of the SER application ceases operations at that location. A copy of such reports will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to members of the County Board from the affected districts. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing. Additionally, if the industrial enterprise that occupied the premises at the time of the SER application ceases operations at that location, then the Class 6b incentive granted pursuant to the SER program shall terminate.

- e. This classification shall continue for a period of 12 years from the date such new construction (excluding demolition, if any) or such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial re-occupancy, or in the case of incentives granted pursuant to the TEERM Program or the CEERM Program, from the date of the notice of approval. In the case of incentives granted pursuant to the SER Program, this classification shall continue for a period of 12 years from the date of the notice of approval, or until the industrial enterprise that occupied the premises at the time of the SER application ceases operations at that location if that occurs sooner.
- f. Unless a Class 6b granted pursuant to the TEERM Program or the SER Program or the CEERM Program, this incentive may be renewed during the last year a property is entitled to a ten percent assessment level pursuant to Section 74-64(7), if the following requirements are met:
 - 1. The taxpayer notifies the Assessor's Office of intent to request renewal of the incentive from the municipality or the County Board if the real estate is located in an unincorporated area;
 - 2. The municipality in which the real estate is located or the County Board, if the real estate is located in an unincorporated area, adopts a Resolution expressly stating that the municipality or the County Board, as the case may be, has determined that the industrial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class 6b; and
 - 3. A copy of the Resolution and a completed renewal application are filed with the Assessor's Office before the expiration of the ten percent assessment level period.
- g. Class 6b incentives that are granted pursuant to the TEERM Program or SER Program or the CEERM Program are not renewable. For all other Class 6b incentives, the number of renewal periods is not limited as long as the property continues to apply and meet the requirements for Class 6b.
- h. A copy of the request for renewal of the incentive will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to members of the County Board from the affected districts.
- i. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 74-64(7). After expiration of the last incentive period, the real estate shall revert to the applicable classification under this Division.
- j. 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 6b.
- k. The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 6b recipients as to the use of the property and the number of persons employed at the

Class 6b site. A copy of such reports will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to members of the County Board from the affected districts. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

- (8) *Class C.* Real estate which is to be used for industrial or commercial purposes, including abandoned property, as defined in Section 74-62, including the land upon which such property is situated; or vacant land; where such real estate because of contamination has undergone environmental testing and remediation and has received a "No Further Remediation Letter" from the site remediation program.
- a. To be eligible for a Class C classification an applicant must have received a "No Further Remediation Letter" confirming achievement of the remediation objectives based on the industrial or commercial use.
 - b. The owner of the property is rendered ineligible for the Class C classification by having previously owned or operated the site, directly or indirectly, or having been a partner or being associated through a family or business relationship with anyone who has owned or operated the site, which ownership or operation caused the contamination which was remediated pursuant to a site remediation, except for an employee who worked for an owner, as defined herein, that operated the site. A present owner or employer who can successfully demonstrate that the owner or employer was not responsible for the contamination may be eligible for Class C classification.
 - c. An applicant must obtain from the municipality in which the real estate is located or the County Board if the real estate is located in an unincorporated area, an Ordinance or Resolution expressly stating that the municipality or County Board, as the case may be, has determined that the incentive provided by Class C is necessary for development to occur on that specific real estate and that the municipality or County Board, as the case may be, supports and consents to the Class C application to the Assessor. A certified copy of the Ordinance or Resolution must be filed at the time of application for the Class C classification. A copy of that Ordinance or Resolution, whichever is submitted, will be forwarded by the Assessor's Office to the Secretary of the Board for distribution to the members of the County Board from the affected districts.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
 2. State the applicant's intended use of the property; and
 3. State 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. To qualify for the Class C classification, an application for Class C classification must be made within one year of the receipt of the "No Further Remediation Letter". Where an application for Class C classification encompasses less than all of the contiguous property owned by the applicant upon which remediation has been completed, the one-year limitation will be waived for any subsequent separate application for Class C classification for the remainder or for additional portions of the property, provided that such subsequent application is made within seven years.
 - e. Additionally, to qualify for the Class C classification, the estimated remediation costs, including site investigation, testing, oversight, remediation and removal costs, monitoring, and engineering and legal fees associated with the remediation process, must total at least \$100,000.00, or alternatively, must total at least 25 percent of the market value of the real

estate as determined by the Assessor's property record card in the year prior to the remediation, whichever is less.

- f. The initial Class C classification shall continue for a period of 12 years for both industrial and commercial property. For industrial property, this incentive may be renewed during the last year a property is entitled to a 16-percent assessment level, if the following requirements are met:
 - 1. The taxpayer notifies the Assessor's Office of the taxpayer's intent to request renewal of the incentive from the municipality, or the County Board if the real estate is located in an unincorporated area;
 - 2. The municipality in which the real estate is located or the County Board, if the real estate is located in an unincorporated area, adopts a Resolution expressly stating that the municipality or County Board, as the case may be, has determined that the industrial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class C; and
 - 3. A copy of that Resolution and a completed renewal application are filed with the Office of the Assessor before the expiration of the 16-percent assessment level period.

The number of renewal periods is not limited as long as the property continues to apply and qualify for Class C. Any property which applies for Class C treatment on or before the adoption date of the ordinance from which this division is derived will be eligible for this renewal term at the end of their original incentive period subject to the above requirements. The notice of intent to request renewal which is filed with the Assessor's Office will be forwarded by the Assessor's Office to the Secretary of the Board for distribution to members of the County Board from the effected districts.

- g. If, on November 23, 1999, a property is receiving Class C treatment, but the assessment level is higher than 16 percent, that taxpayer may apply for renewal as outlined above and receive a 16-percent assessment level for the prescribed period beginning after the filing and approval of the resolution and renewal application. However, if, as of that effective date, the taxpayer's assessment is higher than 16 percent and the taxpayer is granted a renewal of the incentive for subsequent years, no reduction of the current assessment level based on renewal of the incentive will be granted. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 74-64. After such ten-year period expiration of the last incentive period, the real estate shall revert to the applicable classification under this Division.
- h. For commercial properties, once the original 12-year incentive period has expired, the commercial Class C incentive will expire. The incentive classification will not be subject to renewal and the real estate shall revert to the applicable classification under this Division.
- i. The Assessor shall review the application and supporting documentation to determine eligibility for the Class C classification. The Assessor may adopt rules consistent with the foregoing necessary to ensure proper review of all factors relevant to determine initial and continued eligibility for the benefits provided under the Class C classification.
- j. The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class C recipients as to the use of the property and the number of persons employed at the Class C site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

(9) *Class 7a.* Real estate used primarily for commercial purposes, comprising a qualified commercial development project, as determined pursuant to Section 74-65(a), located in an area in need of commercial development, where total development costs, exclusive of land, do not exceed \$2,000,000.00, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined in this Division, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.

- a. In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify that the property is deemed "abandoned" for purposes of Class 7a. The finding of abandonment, along with the specification of the special circumstances, shall be included in the Resolution or Ordinance supporting and consenting to the Class 7a application.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

Notwithstanding the foregoing, special circumstances may not be determined to justify finding that a property is deemed "abandoned" where:

- A. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
- B. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

If a municipality enacts enabling legislation which a.) identifies, by permanent index numbers, specific retail corridors or geographies within the boundaries of such municipality that it deems to be distressed and in need of development; b.) authorizes the submission of applications for a Class 7a incentive for properties within such retail corridors, and c.) designates the authorized officer of such municipality, then applicants for a Class 7a incentive located in such retail corridors may obtain and submit, in lieu of an Ordinance or Resolution, a letter from the authorized officer of the municipality approving the submission of the Class 7a incentive application and a certified copy of the municipal enabling legislation.

A copy of the authorized officer letter and a certified copy of the municipal enabling legislation shall be included with the Class 7a application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;

2. State the applicant's intended use of the property; and
3. State 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.

Following verification that the Class 7a application is in a retail corridor, as defined herein, and has been properly submitted with a letter from an authorized officer and a certified copy of the municipal enabling legislation, the Bureau of Economic Development will forward the application to the Assessor's Office for filing. The Resolution or Ordinance, or the authorization letter and a certified copy of the municipal enabling legislation (if applicable), must be filed with the eligibility application. If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "abandoned" for purposes of Class 7a and a Resolution to that effect shall be included with the Class 7a eligibility application filed with the Assessor.

- b. This classification shall continue for a period of 12 years from the date such new construction (excluding demolition, if any) or such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial re-occupancy. This incentive classification will be subject to renewal. Upon termination, the real estate shall revert to the applicable classification under this Division.
 - c. The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 7a recipients as to the use of the property and the number of persons employed at the Class 7a site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.
- (10) *Class 7b.* Real estate used primarily for commercial purposes, as defined in this Division, comprising a qualified commercial development project, as determined pursuant to Section 74-65(a), located in an "area in need of commercial development", where total development costs, exclusive of land, exceed \$2,000,000.00, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined herein, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.
- a. In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify finding that the property is deemed "abandoned" for purposes of Class 7b. The finding of abandonment, along with the specification of the special circumstances, shall be included in the Resolution or Ordinance supporting and consenting to the Class 7b application.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

Notwithstanding the foregoing, special circumstances may not be determined to justify finding that a property is deemed "abandoned" where:

- A. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
- B. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

If a municipality enacts enabling legislation which a.) identifies, by permanent index numbers, specific retail corridors or geographies within the boundaries of such municipality that it deems to be distressed and in need of development b.) authorizes the submission of applications for a Class 7b incentive for properties within such retail corridors, and c.) designates the authorized officer of such municipality, then applicants for a Class 7b incentive located in such retail corridors may obtain and submit, in lieu of an Ordinance or Resolution, a letter from the authorized officer of the municipality approving the submission of the Class 7b incentive application and a certified copy of the municipal enabling legislation.

A copy of the authorized officer letter and a certified copy of the municipal enabling legislation shall be included with the Class 7b application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor.

In addition, the letter from the authorized officer shall:

- 1. Describe the redevelopment objective of the municipality;
- 2. State the applicant's intended use of the property; and
- 3. State 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.

Following verification that the Class 7b application is in a retail corridor, as defined herein, and has been properly submitted with a letter from an authorized officer and a certified copy of the municipal enabling legislation, the Bureau of Economic Development will forward the application to the Assessor's Office for filing.

The Resolution or Ordinance, or authorization letter and certified copy of the municipal enabling legislation (if applicable), must be filed with the eligibility application. If the ordinance or resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "abandoned" for purposes of Class 7b and a resolution to that effect shall be included with the Class 7b eligibility application filed with the Assessor.

- b. This classification shall continue for a period of 12 years from the date such new construction (excluding demolition, if any) or such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial re-occupancy. This incentive classification will be subject to renewal. Upon termination, the real estate shall revert to the applicable classification under this Division.
- c. The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 7b recipients as to the use of the property and the number of persons employed at the Class 7b site. Such reports shall be verified. Failure to file such reports within the time

established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

- (11) *Class 7c or Commercial Urban Relief Eligibility ("CURE")*. Real estate used primarily for commercial purposes, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.
- a. An applicant must obtain from the municipality in which the real estate is located or the County Board if the real estate is located in an unincorporated area, an Ordinance or Resolution expressly stating that:
- (i) The property, site, or area is deemed a redevelopment priority by the municipality, and
 - (ii) The municipality or County Board, as the case may be, has determined that the incentive provided by Class 7c is necessary for development to occur on that specific real estate and that the municipality or County Board, supports and consents to the Class 7c application to the Assessor.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

If a municipality enacts enabling legislation which a.) identifies, by permanent index numbers, specific retail corridors or geographies within the boundaries of such municipality that it deems to be distressed and in need of development; b.) authorizes the submission of applications for a Class 7c incentive for properties within such retail corridors, and c.) designates the authorized officer of the such municipality, then applicants for a Class 7c incentive located in such retail corridors may obtain and submit, in lieu of an Ordinance or Resolution, a letter from the authorized officer of the municipality approving the submission of the Class 7c incentive application and a certified copy of the municipal enabling legislation.

A copy of the authorized officer letter and a certified copy of the municipal enabling legislation shall be included with the Class 7c application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

Following verification that the Class 7c application is in a retail corridor, as defined herein, and has been properly submitted with a letter from an authorized officer and a certified copy of the municipal enabling legislation, the Bureau of Economic Development will forward the application to the Assessor's Office for filing.

In order to determine Class 7c applications, an application for Class 7c shall be submitted to the Assessor and the Bureau of Economic Development. Upon receipt of the application and all the necessary supporting data, the Economic Development Advisory Committee of the County, within 30 days return the application to the Assessor with a finding stating whether the conditions of Subsections (a)(1)—(a)(4) of this Section are present. The Assessor shall review the application, supporting data, findings of the Committee and other appropriate facts. Where the Assessor finds the conditions of Subsections (a)(1)—(a)(4) of this Section exist, the Assessor shall, within 30 days of the receipt of the Committee's findings, certify the commercial development project eligible for Class 7c treatment under this Division.

Where the Economic Development Advisory Committee does not return a finding stating whether the conditions of Subsections (a)(1)—(a)(4) of this Section are present within 30 days, and upon further application of the requesting party, the Assessor may review the application, supporting data, and other appropriate facts and certify the commercial development project eligible for Class 7c treatment and grant the incentive.

- (1) That the Property's (the real estate that is subject of the Incentive application) Assessed Value, Equalized Assessed Value or Real estate taxes for three of the last six years, have declined or remained stagnant due to the depressed condition;
 - (2) There is a reasonable expectation that the development, re-development or rehabilitation of the commercial development project is viable and likely to go forward on a reasonably timely basis if granted Class 7c designation and will therefore result in the economic enhancement of the property;
 - (3) Certification of the commercial development project for Class 7c designation will materially assist development, redevelopment or rehabilitation of the property and the commercial development property would not go forward without the full incentive offered under Class 7c; and
 - (4) Certification of the commercial development project for Class 7c designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities of the property.
- b. A certified copy of the Ordinance or Resolution, or authorization letter and certified copy of the municipal enabling legislation (if applicable), need not be filed at the time of filing the Class 7c eligibility application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 7c. If the Resolution is not filed at the time of the eligibility application, the applicant may instead file, at that time, a letter from the municipality or the County, as the case may be, confirming that a Resolution or Ordinance supporting the incentive has been requested.
 - c. A copy of the Resolution or letter confirming that a Resolution has been requested, whichever is filed with the application, will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to the members of the County Board from the affected districts.
 - d. Class 7c applications for newly constructed or substantially rehabilitated buildings and other structures must be made to the Assessor within one year prior to the commencement

of such new construction or substantial rehabilitation to qualify for a Class 7c incentive. With respect to abandoned property, the Class 7c application must be made to the Assessor prior to the commencement of the reoccupation of the vacant and unused property. For the purpose of this Incentive [Class 7c] "abandoned property" shall mean property where the buildings and other structures, or portions thereof, have been vacant and unused for more than 12 continuous months and as established by rule of the Assessor.

e. This classification shall continue for a period of three years from the date such new construction (excluding demolition, if any) such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial occupancy.

f. Class 7c incentives that are granted are renewable.

The incentive shall be phased out after five years, pursuant to Section 74-64(8). After expiration of the last incentive period, the real estate shall revert to the applicable classification under this Division.

g. The Assessor may adopt rules consistent with this subsection necessary to ensure proper review of all factors relevant to determine eligibility and continued eligibility for the benefits provided under Class 7c.

h. Class 7c Applications must be received by the Assessor's Office on or before November 30, 2019, to receive consideration.

i. Renewal. The Class 7c Incentive shall be limited to only one renewal. The applicant may apply for a renewal on or after the third year of the Incentive, but before the expiration of the fifth year of the Incentive. The applicant must obtain the municipal enabling Ordinance and present such municipal Ordinance to the Board of Commissioners of Cook County as to whether it will validate the renewal. The Incentive may be renewed unless otherwise limited herein.

j. Effective Year. The Class 7c Incentive shall be effective for the tax year the application for the Incentive is filed. In addition, the Class 7c Incentive may be applied for only one year prior to the tax year in which the Incentive was applied via a certificate of error.

(12) *Class 8.* Real estate used primarily for industrial and commercial purposes, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined in this division, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation.

a. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel. Such real estate must be either obtained through the Cook County Tax Reactivation Project or must be located in one of the following designated geographical areas:

1. An area which has been certified as in need of substantial revitalization in accordance with the provisions of Section 74-65(b);

2. An enterprise community as proposed and approved by the County Board on June 22, 1994, or the Chicago City Council on May 18, 1994, and the municipality in which such real estate is located, or, if in an unincorporated area, the County must by lawful

Resolution determine that such real estate is consistent with an overall plan for the rehabilitation of the area; or

3. Any one of the following five townships: Bloom, Bremen, Calumet, Rich and Thornton.
- b. In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify that the property is deemed "abandoned" for purpose of Class 8, unless:
1. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
 2. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

The finding of abandonment, along with the specification of the special circumstances, shall be included in the Resolution or Ordinance supporting and consenting to the Class 8 application.

In addition, the Ordinance or Resolution where applicable shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such, a finding that the property is deemed "abandoned" for purposes of Class 8, and a Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a finding that the property is deemed "abandoned" for purposes of Class 8 and provide a County Resolution to that effect. A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or Resolution validating such a finding that the property is deemed "abandoned" for purposes of Class 8 need not be filed at the time of filing the Class 8 application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 8. If the Resolution is not filed at the time of the Class 8 application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

If the real estate is located within an Industrial Growth Zone, prior to filing a Class 8 eligibility application with the Assessor and in lieu of an Ordinance or Resolution, an applicant may obtain from an authorized officer of the municipality or an authorized officer of the Cook County Bureau of Economic Development if the real estate is located in an unincorporated area, a letter stating that the municipality or the County Board, as the case may be, supports and consents to the filing of the Class 8 application with the Assessor. Such authorized officer shall have been designated by the legislative body of the municipality or, in the case of an unincorporated area, by the Cook County Board.

A copy of the authorized officer letter and a certified copy of the legislative action designating the authorized officer shall be included with the Class 8 application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor. The applicant must demonstrate that the industrial development project qualifies for the Class 8 classification.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

Following verification that the Class 8 application is in an Industrial Growth Zone and has been properly submitted with a letter from an authorized officer and a certified copy of the legislative action designating the authorized officer, the Bureau of Economic Development will forward the application to the Assessor's Office for filing.

Temporary Emergency Economic Recovery Modification (TEERM) Program: In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify that the property is deemed "abandoned" for purpose of Class 8 under the TEERM Program, if:

1. There has been no purchase for value and the buildings; and
2. The buildings and other structures have been vacant and unused for at least 12 continuous months.

The finding of abandonment, along with the specification of the special circumstances, shall be included in the Resolution or Ordinance supporting and consenting to the Class 8 application under the TEERM Program.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State 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.

If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such, a finding that the property is deemed "abandoned" for purposes of Class 8, and a Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a finding that the property is deemed "abandoned" for purposes of Class 8 and provide a County Resolution to that effect. A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or Resolution validating such a finding that the property is deemed "abandoned" for purposes of Class 8 need not be filed at the time of filing the Class 8 application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 8. If the

Resolution is not filed at the time of the Class 8 application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

~~Applications for the TEERM Program must be received by the Assessor's Office on or before November 30, 2018, to receive consideration.~~

Critical Emergency Employee Retention Modification (CEERM) Program: In the instance where real estate does not meet the definition of abandoned property as defined herein, the municipality or the County Board, as the case may be, may still determine that special circumstances justify finding that the property is deemed "abandoned" for purpose of a Class 8 under the CEERM Program if:

1. There has been no purchase for value; and
2. The buildings and other structures have been vacant and unused for at least 3 continuous months; and
3. The applicant has provided sufficient documentation to establish that such applicant will create or maintain at least 250 jobs for employees at the subject location. For purposes of this Section, the term "employee" shall mean an individual who performs duties or services at the subject location on average at least 30 hours per week in any two-week period for which such individual is paid; "hours per week" shall mean hours for which an individual is paid or entitled to payment for a period of time during which no duties are performed by such individual due to vacation, holiday, illness, incapacity, jury duty, military duty or approved leave of absence.

The finding of abandonment, along with the specification of the special circumstances, and a determination that the applicant's participation in the CEERM Program is necessary for the development to occur, and that without such designation the industrial enterprise would not be economically viable causing the property to be in imminent risk of remaining vacant and unused, shall be included in the Resolution or Ordinance supporting and consenting to the Class 8 application under the CEERM Program.

In addition, the Ordinance or Resolution where applicable shall:

1. Describe the redevelopment objective of the municipality; and
2. State the applicant's intended use of the property; and
3. State that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or the County Board, as the case may be

The CEERM Program shall be limited to the party who is the initial applicant of the Class 8 incentive under the CEERM Program and the subject of the municipal Resolution or Ordinance.

If the Ordinance or Resolution is that of a municipality, the approval of the County Board is required to validate such a finding that the property is deemed "abandoned" for purposes of Class 8, and a County Resolution to that effect shall be obtained. The applicant must obtain the municipal enabling Ordinance with the required finding of special circumstances and present such municipal Ordinance to the Board of Commissioners of Cook County

prior to its determination as to whether it will validate such a finding that the property is deemed "abandoned" for purposes of Class 8 under the CEERM Program and provide a County Resolution to that effect.

A certified copy of an Ordinance or Resolution finding that special circumstances exist, as well as a certified copy of a County Ordinance or resolution validating such a finding that the property is deemed "abandoned" for purposes of Class 8 need not be filed at the time of filing the Class 8 application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 8. If the Resolution is not filed at the time of the Class 8 application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a Resolution or Ordinance regarding special circumstances has been requested.

- c. A copy of the Resolution or letter confirming that a Resolution under the TEERM Program or the CEERM Program, as the case may be, has been requested, whichever is filed with the application, will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to the members of the County Board from the affected districts
- d. This classification shall continue for a period of 12 years from the date of new construction (excluding demolition, if any) or substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial re-occupancy, or in the case of incentives granted pursuant to the TEERM Program or the CEERM Program from the date of the notice of approval.
- e. Unless it was granted pursuant to the TEERM Program or the CEERM Program, this incentive may be renewed during the last year a property is entitled to a ten-percent assessment level pursuant to Section 74-64(11), if the following requirements are met:
 1. The taxpayer notifies the Assessor's Office of the taxpayer's intent to request renewal of the incentive from the municipality, or the County Board if the real estate is located in an unincorporated area;
 2. The municipality in which the real estate is located or the County Board, if the real estate is located in an unincorporated area, adopts a Resolution expressly stating that the municipality or County Board, as the case may be, has determined that the industrial or commercial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class 8; and
 3. A copy of that Resolution and a completed renewal application are filed with the Assessor's Office before the expiration of the ten-percent assessment level period.
- f. Class 8 incentives that are granted pursuant to the TEERM Program or the CEERM Program are not renewable. For all other Class 8 incentives, the number of renewal periods is not limited as long as the property continues to apply and meet the requirements for Class 8.
- g. A copy of the request for renewal of the incentive will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to the members of the County Board from the affected districts.

- h. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 74-64(11). After expiration of the last incentive period the real estate shall revert to the applicable classification under this Division.
 - i. 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.
 - j. The certification of an area as in need of substantial revitalization shall expire five years from the date such certification is granted. The Assessor shall notify the applicant of the date of expiration of certification one year before the date of the expiration of the certification. Such certification, pursuant to the same criteria, may be extended for one additional five-year period subject to reapplication by the appropriate local governing body within the period from one year to six months prior to the expiration of the initial five-year period.
 - k. The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 8 recipients as to the use of the property and the number of persons employed at the Class 8 site. A copy of such reports will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to members of the County Board from the affected districts. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.
- (13) *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.
- a. To qualify for the Class 9 classification, the applicant must:
 - 1. File an eligibility application with the Assessor prior to commencement of rehabilitation and/or of new construction;
 - 2. Either undertake and complete a major rehabilitation of the subject property, or undertake and complete construction of a new building;
 - 3. Maintain the subject property, including any new construction, in substantial compliance with all local building, safety and health codes and requirements for the duration of the Class 9 classification period;
 - 4. Lease, for the duration of the Class 9 classification period, at least 35 percent of the dwelling units of the subject property, including any new construction, to tenants at rents which will not exceed rents affordable to low- and moderate-income persons or households;
 - 5. Agree to make a current listing of Class 9 tenants and their income available to the Assessor upon request;
 - 6. Further agrees to annually provide the tenants with a list of the permissible Class 9 rents;
 - 7. Agree to notify tenants of the upcoming Class 9 expiration at least one year prior to the termination of the incentive treatment; and

8. File annually with the Assessor, on or before a date determined by the Assessor, for the duration of the Class 9 classification period, a sworn statement verifying continuous compliance with the Class 9 provisions of this Division.
 - b. No applicant shall discriminate on the basis of race, color, sex, marital status, religion, national origin or ancestry, or on any other basis prohibited under Federal, State or local law.
 - c. Upon completion of the major rehabilitation, the applicant must supplement the application by submitting evidence showing that major rehabilitation did, in fact, occur, the date that the major rehabilitation was completed and that the real estate complies with all applicable local building, safety and health requirements and codes. Upon completion of the new construction, the applicant must supplement the application by submitting an occupancy permit showing the date that the new construction was completed and ready for occupancy, and evidence that the real estate complies with all applicable local building, safety and health requirements and codes.
 - d. Beginning January 1, 2000, the Class 9 classification shall have an initial duration of ten years from the date that the major rehabilitation was completed. That period may be extended for additional ten-year periods if:
 1. An application is filed with the Assessor at least 12 months before the expiration of the incentive period;
 2. The applicant presents evidence that the real estate currently complies with all applicable local building, safety and health requirements and codes; and
 3. The Assessor determines that all application qualifications, except the major rehabilitation or new construction requirement, were maintained during the incentive period.
 - e. When the Class 9 classification is due to expire or is terminated by action of the owner or the Assessor, the property owner shall, in a manner and form determined by the Assessor, notify all Class 9 tenants of the date of the termination of Class 9 classification. Once the Class 9 classification is terminated, the real estate shall revert to the applicable classification under this Division.
- (14) *Class S.* 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.
- a. Property qualifies for the Class S classification if its Section 8 contract has been renewed pursuant to one of the following alternatives:
 1. HUD has approved renewal of the Section 8 contract under the mark up to market option, after finding that:
 - i. The property has received a physical inspection score of at least 60, in an inspection by HUD's Real Estate Assessment Center, confirming that the property is decent, safe, sanitary and in good repair with no uncorrected exigent health and safety (EHS) violations;
 - ii. The property does not have a low- and moderate-income use restriction that cannot be eliminated by unilateral action by the owner. If, however, the current

rent is lower than the use restriction, HUD may use the mark up to market option to increase the rents to the use restriction level, which would be a renewal qualifying for the S classification; and

- iii. A rent comparability study conducted by HUD has demonstrated that comparable market rents are above 100 percent of the HUD Fair Market Rent.
2. HUD has approved a contract renewal for five years of the Section 8 contract under the mark up to market under HUD's discretionary authority, after finding that the property meets at least one of the required criteria:
 - i. A vulnerable population is affected,
 - ii. There is a low vacancy rate in the area, which would make tenant based assistance difficult to use, or a lack of comparable housing, or
 - iii. The project is a high priority for the local community, as demonstrated by a contribution of state or local funds to the property.
 3. HUD has approved renewal of a Section 8 contract for a not for profit corporation under any available option under HUD's renewal procedures as described in HUD's Section 8 Renewal Policy Guidelines.
- b. Additional requirements for qualification for the S classification are:
1. At least 20 percent of the living units must be Section 8 units for qualifying low- and moderate-income persons.
 2. The owner must agree to retain at least the existing number of Section 8 units for at least five years after the expiration of the expiring or expired Section 8 contract.
 3. For the duration of the Class S classification period, applicant must file annually with the Assessor, on or before a date determined by the Assessor, a sworn statement verifying continuous compliance with the Class S provisions of this Division.
 4. Applicant must agree to notify the Assessor's Office if the Section 8 contract is terminated prior to its expiration date. Applicant shall provide to the Assessor's office a copy of any notice of default or notice of abatement received from HUD.
- c. When the applicant applies to HUD for a contract renewal, no less than 120 days prior to the expiration of the contract, the applicant shall notify the Assessor's Office of the application, on a form provided by that office. Upon receiving approval of the contract renewal from HUD, the applicant shall file an application for the incentive with the Assessor's Office, on a form provided by that office. The application shall be supported by a copy of HUD's letter approving the contract renewal and a copy of the executed renewal contract.
- d. Any property which, as of November 23, 1999, has an existing Section 8 contract with a mark up to market option may apply for Class S classification for the any portion of the 2001 assessment year encompassed within the contract term, and for the remainder of the contract term, including any renewals approved with the mark up to market option. The classification shall continue until the expiration or termination of the Section 8 contract.

Any property which, as of (DATE AMENDMENT APPROVED), has an existing Section 8 contract renewal may apply for Class S classification for any portion of the 2006 assessment year encompassed within the contract term, and for the remainder of the contract term, including any renewals approved with the mark up to market option, mark up to market option under HUD's discretionary authority or a Section 8 contract that has

been renewed by a not-for-profit corporation under any available option under HUD's renewal procedures as described in HUD's Section 8 Renewal Policy Guidelines. The classification shall continue until the expiration or termination of the Section 8 contract.

- e. The incentive may be renewed if the Section 8 contract is again renewed under any of the following three options: 1) the mark up to market option; 2) the mark up to market option under HUD's discretionary authority; or 3) by a not-for-profit corporation under any available option under HUD's renewal procedures as described in HUD's Section 8 Renewal Policy Guidelines. Upon filing an application with HUD, no less than 120 days prior to termination of the contract, for renewal of the Section 8 contract, the taxpayer shall provide notice to the Assessor's Office of its application for renewal. The taxpayer shall provide a copy to the Assessor's Office of HUD's approval of the contract renewal, or notification of other action.
 - f. The Assessor's Office shall adopt rules consistent with this subsection necessary to ensure proper review of all factors relevant to determine initial and continued eligibility for the benefits provided under Class S.
- (15) *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.
- a. Generally, the incentive shall apply only to the building and will not apply to the land underneath the building. However, if the entire building has been vacant and unused for at least 24 continuous months prior to the filing of the eligibility application with the Assessor, the land upon which the building is situated shall also be eligible for the incentive.
 - b. Prior to filing a Class L eligibility application with the Assessor, an applicant must obtain an Ordinance or Resolution from the unit of local government in which the real estate is located, which expressly states that the local government:
 - 1. Has determined that the incentive provided by Class L is necessary for the substantial rehabilitation of the property;
 - 2. Supports and consents to the granting of the incentive; and
 - 3. Has reviewed and accepted its preservation commission's written recommendation of the project for the Class L incentive. This recommendation will specify the project's budget and proposed scope of work and will specify that the project will meet or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration, and Reconstruction of historic properties.
 - 4. In addition, the Ordinance or Resolution shall:
 - i. Describe the redevelopment objective of the municipality;
 - ii. State the applicant's intended use of the property; and
 - iii. State 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.
 - c. A certified copy of the Ordinance or Resolution need not be filed with the Assessor at the time the Class L eligibility application is filed but the Ordinance or Resolution must be

filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class L.

- d. If the Ordinance or Resolution is not filed at the time of the eligibility application is filed, the applicant shall instead, include the following items with the eligibility application:
 - 1. A letter from the municipality or the County, as the case may be, confirming that a Resolution or Ordinance supporting the incentive has been requested; and
 - 2. A copy of the preservation commission's recommendation of the project.
- e. A copy of the Resolution or letter confirming that a Resolution has been requested, whichever is filed with the application, will be forwarded by the Assessor's Office to the Secretary of the Board for distribution to the members of the County Board from the affected districts.
- f. Additionally, to qualify a landmark building or contributing building for Class L classification, an eligibility application must be made to the Assessor within one year prior to the commencement of substantial rehabilitation. After the substantial rehabilitation has been completed, the preservation commission shall review the project to determine that it is eligible under Subsection (14) of this Section. The applicant must supplement the eligibility application with a copy of the determination of the preservation commission prior to classification of the real estate as Class L.
- g. The initial Class L classification shall continue for a period of 12 years from the date such substantial rehabilitation was completed and initially assessed.
- h. For property which was initially classified as Class 3, 4 or 5b, this incentive may be renewed during the last year a property is entitled to a 16-percent assessment level, if the following requirements are met:
 - 1. The taxpayer notifies the Assessor's Office of the taxpayer's intent to request renewal of the incentive from the municipality, or the County Board if the real estate is located in an unincorporated area;
 - 2. The municipality in which the real estate is located or the County Board, if the real estate is located in an unincorporated area, adopts a resolution expressly stating that the municipality or County Board, as the case may be, has determined that the industrial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class L; and
 - 3. A copy of that Resolution and a completed renewal application are filed with the Office of the Assessor before the expiration of the incentive period.

The number of renewal periods is not limited as long as the property continues to apply and qualify for Class L. The notice of intent to request renewal which is filed with the Assessor's Office will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to members of the County Board from the affected districts.

- i. If, as of November 23, 1999, a property is receiving Class L treatment, but the assessment level is higher than 16 percent, that taxpayer may apply for renewal as outlined above and receive a 16-percent assessment level for the prescribed period beginning after the filing and approval of the Resolution and renewal application. However, if as of the effective date, the taxpayer's assessment is higher than 16 percent and the taxpayer is granted a renewal of the incentive for subsequent years, no reduction of the current assessment level based on renewal of the incentive will be granted. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 74-64. After expiration of

the last incentive period, the real estate shall revert to the applicable classification under this Division.

- j. For commercial properties, once the original 12-year incentive period has expired, the commercial Class L incentive will expire. The incentive classification will be subject to renewal subject to subsection (h).
 - k. The Assessor shall adopt rules consistent with the foregoing necessary to ensure proper review of all factors relevant to determine initial and continued eligibility for the benefits provided under Class L.
 - l. The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class L recipients as to the continued landmark status of the property and the number of persons employed at the Class L site. Failure to file such reports within the time established by the Assessor's rules may result in loss of the incentive for the period relating to the non-filing.
 - m. The Assessor shall provide the Chairman of the Business and Economic Development Committee of the Cook County Board, annually on or before December 1, a report of each Class L that was designated in the prior year. Such report shall consist of the address of the Class L designated property, the date such designation was granted, the amount of property taxes that were not assessed each year during which the Class L incentive was in effect for such property, and if provided by the applicant, the aggregate amount of the investment in the project and the number of jobs generated in connection with such project.
- (16) *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 & 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.

(Code 1980, § 13-14; Ord. of 6-6-1977, p. 3802; Ord. of 9-19-1977, p. 5752; Ord. of 5-16-1978, p. 4122; Ord. of 1-2-1979, p. 543; Ord. No. 80-O-14, 3-3-1980; Ord. No. 84-O-36, 10-1-1984; Ord. No. 86-O-17, 5-19-1986; Ord. No. 88-O-36, 6-20-1988; Ord. No. 90-O-02, 12-4-1989; Ord. No. 90-O-05, 12-18-1989; Ord. No. 95-O-07, 1-04-1995; Ord. No. 96-O-25, 11-19-1996; Ord. No. 97-O-13, 5-6-1997; Ord. No. 97-O-24, 11-6-1997; Ord. No. 96-O-25, 11-19-1996; Ord. No. 00-O-10, 4-18-2000; Ord. No. 01-O-24, 9-6-2001; Ord. No. 02-O-14, § 2, 4-9-2002; Ord. No. 04-O-30, 7-13-2004; Ord. No. 06-O-09, § 2, 2-15-2006; Ord. No. 06-O-47, 11-2-2006; Ord. No. 07-O-30, 5-15-2007; Ord. No. 13-O-36, 7-17-2013; Ord. No. 14-1930, 6-18-2014; Ord. No. 15-6257, 11-18-2015; Ord. No. 16-1895, 3-2-2016; Ord. No. 16-2598, 4-13-2016; Ord. No. 16-3191, 6-8-2016; Ord. No. 17-0293, 3-22-2017; Ord. No. 17-3303, 7-19-2017; Ord. No. 17-4339, 7-19-2017; Ord. No. 17-5209, 10-11-2017.)

Sec. 74-73. - Revocation or cancellation of incentive classification.

- (a) The following Incentive Classifications are subject to revocation herein: Class 6b (special circumstances); Class 6b TEERM ; Class 6b CEERM; Class 6b SER; Class 7a; Class 7b; Class 7c; Class 8; ~~and~~ Class 8 TEERM ; and Class 8 CEERM.
- (b) The incentive may be revoked 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; and
 - (4) By request of the taxpayer to cancel.
- (c) A basis for revocation pursuant to Section 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.

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.

(Ord. No. 14-1930, 6-18-2014; Ord. No. 17-0293, 3-22-2017.)