

FROM THE GOVERNMENT AFFAIRS DIVISION OF THE ILLINOIS REALTORS--2017

Below is a report on commercial property-oriented legislation currently being considered in the Illinois General Assembly.

Criminal Building Management

House Bill 531 (Willis) is another issue that was before the General Assembly in 2016 but not advanced. This year, an agreement was reached on the bill and the REALTORS® are now NEUTRAL. HB 531 amends the Criminal Code to add the new offense "First Responder Endangerment". A person commits this offense when he or she (1) knowingly creates a dangerous condition and (2) intentionally conceals the dangerous condition in a commercial property under his or her management or operational control and, (3) the dangerous condition is the primary cause of the death or serious bodily injury of a first responder in the course of his or her official duties. Key terms are defined in the bill and the new offense is established as a Class 4 felony. After several meetings with other opponents, the sponsor and proponents, the end result was this agreed bill. The House unanimously APPROVED the bill on Friday, April 28th and sent the bill to the Senate for their consideration. As of May 31st, the Senate did not pass the House-approved language.

PACE Bonds- Funding Energy Improvements for Commercial and Industrial Properties

In 2016, there was legislation amending the Special Service Area section of the Property Tax Code to add language to permit a voluntary program for special assessments on commercial property owners to finance certain energy efficient projects. This year, two bills have been introduced as new Acts to provide the mechanism for this innovative financing mechanism. **Senate Bill 1700** (McConnaughay) and **House Bill 2831** (Lang) are identical measures creating the Property Assessed Clean Energy (PACE) Act. The bills would allow a city or county to establish a PACE bond program to allow a commercial or industrial property owner to finance one or more energy projects on the property funded by an assessment on the property pursuant to a voluntary written agreement with the owner. These bills are SUPPORTED by the Illinois REALTORS®. **House Bill 2831 passed both chambers on May 16th. This bill was signed into law by the Governor in August, 2017.**

Commercial Assessments

A package of bills has been introduced by Senator Steve Stadelman (D-Rockford) related to property tax assessment appeals for commercial properties. **Senate Bills 1791-1794** have all been assigned to the Senate Revenue Committee and all impose significant changes to the tax appeal process. The Illinois REALTORS® is OPPOSED to these bills due to the impact on the local Boards of Review and the Property Tax Appeal Board. We will continue to work with the chief sponsor to address these concerns. Some of these bills are intended to address the issue of "dark stores" (large, vacant, retail properties). Another bill, **Senate Bill 1460** (Holmes) which would have deemed certain deed restrictions as void and

unenforceable was also OPPOSED but the sponsor has indicated that she would not advance the bill. All of these bills are currently INACTIVE.

Rent Control- Repeal of Statewide Ban

House Bill 2430 (Guzzardi) would repeal the statewide ban on home rule units' power to impose rent control measures(involving both residential AND non-residential properties). This bill, pending before the House Judiciary Civil Law Committee, seeks to repeal a statute advocated by the Illinois REALTORS and passed into law in 1997. Rent control is widely discredited by economists and many housing advocates. It is destructive and counterproductive in many ways, it is difficult to administer and would have many unintended consequences. It is a disincentive to invest in rental property and shrinks funds available for maintenance and improvements. This bill is currently INACTIVE and has been referred to the House Rules Committee. Illinois REALTORS is strongly opposed to this bill.

Granting Home Rule Powers to Non-Home Rule Units

House Bills 511 and 3639 (Breen) are also repeats from 2016 and appear to be stalled again this year. These bills were STRONGLY OPPOSED by the Illinois REALTORS® as we believe both violate the Illinois Constitutional provisions governing how units of local government can be designated as home rule units. These bills attempted to simply grant non-home rule municipalities and counties the power to exercise all powers provided to home rule units by the Constitution with the exception of the powers to tax, impose fees or incur debt. However, there are significant regulatory powers that would be granted. We believe that the Illinois Constitution is VERY CLEAR and that the framers delineated how a unit of local government would be designated home rule powers-either by its population (25,000) OR by an affirmative vote of the residents. We do not believe the General Assembly can modify this Constitutional provision without an amendment to the Illinois Constitution. Both bills are currently INACTIVE.