

From the Governmental Affairs Division of the Illinois REALTORS®

STATE LEGISLATIVE REPORT ON BILLS THAT AFFECT COMMERCIAL PROPERTY

LIMITATION ON “RETAINAGE” IN COMMERCIAL CONSTRUCTION CONTRACTS

Senate Bill 3052 amends the Contractor Prompt Payment Act to limit “retainage” in commercial construction contracts to 5 percent. Illinois REALTORS opposes this legislation because we believe that parties to such contracts should negotiate retainage and other terms without government weighing in on behalf of one party or the other. This bill passed out of the Senate Judiciary Committee and is now on 2nd reading in the Senate.

FIRST RESPONDER ENDANGERMENT-COMMERCIAL PROPERTY

The House approved **House Bill 4390** on March 7th and sent the measure to the Senate for further consideration. This bill is the product of several meetings with the various stakeholders in the 2017 legislative session. HB 4390 amends the Criminal Code to add the new offense “First Responder Endangerment”. A person would commit 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 were also defined in the bill and the new offense was established as a Class 4 felony. The Illinois REALTORS® was involved in the negotiations on the final version of this legislation and is NEUTRAL.

REPEAL - RENT CONTROL PREEMPTION ACT

Two bills have been introduced in the Illinois Senate which repeal the Rent Control Preemption Act. The Illinois REALTORS will strongly OPPOSE **Senate Bill 3512 and Senate Bill 3542**, neither of which has been assigned to a committee of jurisdiction.

NEW DCEO GRANT PROGRAM – UNUSED PUBLIC BUILDINGS/REDEVELOPMENT

House Bill 4969 provides that the Department of Commerce and Economic Opportunity(DCEO) shall make grants to units of local government and school districts for the redevelopment of unused public buildings into commercial and retail space to be rented at below-market rates to start-up businesses and existing small businesses. Provides that a portion of the space redeveloped with grants and financial assistance provided under this provision is to be set aside for start-up businesses and existing small businesses owned by minorities, women, and persons with disabilities. This bill is in the House Business Incentives for Local Communities Committee.

NEW STANDARDS FOR APPROVAL OF TAX INCREMENT FINANCE(TIF) DISTRICTS

There are several bills which would add new standards and procedures for the approval of the creation of a TIF district. **House Bill 5581** provides that an affected school district(in addition to the municipality) must approve in order for the TIF to be created. **House Bill 5230** adds a new qualifier for a TIF district: the blighted area of the proposed TIF must have a household median income of 100% or less of the area median income. HB 5230 remains in the House Rules Committee while HB 5581 has been assigned to the House Revenue Committee.

Illinois REALTORS opposes **House Bill 813** which amends the Prevailing Wage Act to require the “prevailing wage” to be paid on projects supported by Tax Increment Financing. Currently, prevailing wage applies to the “public works” projects. Illinois REATLORS opposes this bill because the State should not be stifling much-needed local economic development with this potentially costly requirement. This bill is pending in the full House.

INCOME TAX CREDIT FOR HISTORIC STRUCTURES

Two bills have been introduced which provide for a 20% income tax credit for historic structures that are undergoing rehabilitation. **Senate Bill 2869** is assigned to the Senate Revenue Committee and **House Bill 5802** is assigned to the House Revenue and Finance Committee.