ILLINOIS REALTORS® - COMMERCIAL STATE LEGISLATIVE REPORT 2017

This 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 bill, pending in the House Fire and Emergency Services Committee (which the sponsor of the bill Chairs), creates a new criminal offense of "criminal building management." The bill is aimed at going after building owners and managers who don't fix known code violations, and/or create and maintain concealed hazards that result in the injury or death of a "first responder." Everyone wants to protect first responders, of course, but we're concerned that the bill as drafted would potentially criminalize negligence, which is generally a civil offense. Meetings continue with the sponsor, but at this time, **the Illinois REALTORS® OPPOSE.**

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®. On March 16th, Senate Bill 1700 passed out of the Senate Revenue Committee and will now go to the full Senate for consideration.

Commercial Assessments

A package of bills has been introduced by Senator Steve Stadelman (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).

Restrictive Covenant Legislation

Senate Bill 1460 (Holmes) was advanced out of the Senate Judiciary Committee on March 16th with the pledge by the sponsor to continue to work with and discuss the legislation with the Illinois REALTOR®

and the Illinois Retail Merchants, both OPPONENTS. This bill creates the Limitations on Negative Use Restrictions Act to provide that “negative use restrictions are against public policy, void, and unenforceable.” The bill specifically targets certain properties; i.e. a grocery store, drug store, discount store, warehouse club, home improvement store, or any other retail store purposes in excess of 7,500 square feet of floor space. This legislation (also intended to address the issue of “dark stores”) is similar to a measure considered in Michigan but never enacted.

Rent Control- Repeal of Statewide Ban

An active Call for Action is underway in OPPOSITION to **House Bill 2430** (Guzzardi) which 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.