



The Southland Reactivation Act (SB 3189, HA 1- DeLuca, Joyce)

SB 3189, HA 1 passed with bipartisan support in the 102nd General Assembly on Friday, April 8, 2022.

The Southland Reactivation Act (SB 3189, HA 1) provides South Suburban communities with a new economic development tool that breaks the disinvestment cycle by lowering high property tax burdens and the staggering number of blighted or underperforming commercial and industrial properties that are not contributing to the tax base. It allows distressed Southland municipalities to “reactivate” their own tax-exempt or long vacant, abandoned properties that meet specific criteria in order to bring them back on the tax rolls, contributing much needed property tax revenues to all taxing bodies.

The act will accelerate market-driven investment that brings new jobs and long-term sustainable growth to the tax base in hard hit South Suburban communities—among the most vulnerable in Illinois. It would provide the Southland a new economic development tool that spurs private sector investment and tackles blight, getting tax exempt properties back on the tax rolls helps alleviate tax pressure on existing property owners and provides important revenue for schools and government services at no cost to the State.

How Will The Pilot Work?

- The act would create a tax abatement incentive to property developers who purchase commercial and industrial property in the Southland.
- Targets commercial and industrial properties that have shown a clear pattern of economic stagnation or decline of real estate taxes as a result of depressed conditions.
- The property must be located in Bloom, Bremen, Calumet, Rich, Thornton or Worth Townships in Cook County.
- Eligible properties are restricted to those that are held by either a municipality or the South Suburban Land Bank Development Authority or the Cook County Land Bank Authority, two regional economic development partners created to prevent blight and its negative impact on effected communities.
- “Reactivation” of these tax exempt or long-abandoned sites will result in new investment and re-establishment of strong industrial & commercial properties that bring new tax dollars and local jobs to distressed, disinvested communities throughout the south suburbs.
- Identified properties that meet qualifying criteria would be assessed at 50% of the last known equalized assessed value.
- For the first year a property is certified as a southland reactivation property, the aggregate tax bill liability for the property cannot exceed \$100,000. Discounts on the liability would decrease gradually, but continue for a total of 12 years.
- Results in new investment, new jobs, economic recovery, and tax base growth benefitting everyone.

The South Suburban Mayors and Managers Association (SSMMA) represents the communities of Alsip, Beecher, Blue Island, Burnham, Calumet City, Calumet Park, Chicago Heights, Country Club Hills, Crestwood, Crete, Dixmoor, Dolton, East Hazel Crest, Flossmoor, Ford Heights, Glenwood, Harvey, Hazel Crest, Homewood, Lansing, Lynwood, Markham, Matteson, Midlothian, Mokena, Monee, Oak Forest, Olympia Fields, Orland Hills, Orland Park, Park Forest, Peotone, Phoenix, Posen, Richton Park, Riverdale, Robbins, Sauk Village, South Chicago Heights, South Holland, Steger, Thornton, Tinley Park, University Park, and Worth.