



**Subject Matter Hearing Testimony to the House Revenue and Finance Committee,
February 24, 2022**

HB 1842, HA 1- SUPPORT

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
Worth

Good morning. My name is Rick Reinbold, Mayor of the Village of Richton Park and Legislative Chairman of the South Suburban Mayors and Managers Association, a council of government representing 45 municipalities and nearly 750,000 residents.

Thank you for the opportunity to provide testimony in support of House Bill 1842, House Amendment 1, the Southland Reactivation Act, legislation which is an initiative of the SSMMA that is proposed as a pilot for distressed communities in Chicago's south suburbs. It is model legislation that offers an immediate opportunity to "build back better" and to spur new growth and redevelopment of blighted and vacant properties within the Southland region. House Bill 1842 provides both a new economic development tool in the tool kit for the South Suburbs and a near-term property tax solution as it creates a mechanism for bringing tax exempt properties back on to the tax rolls, benefitting ALL taxing districts.

This legislation provides a framework that allows for the "reactivation" of tax exempt and long vacant commercial and industrial property by lowering property tax bills for qualifying sites for 12 years, with annual step increases so the reduction is temporary. Let me stress that these properties are limited to municipal-owned or land bank held properties that are tax exempt and meet other stringent criteria. The bill, as written, addresses properties that 1) currently are not contributing to the tax base and 2) have long failed to be redeveloped. This is not from lack of trying but due to their obsolescence or blighted condition and local tax rates that are some of the highest in the State which are an impediment to redevelopment.

Many of you know that the South Suburbs have experienced economic blight for decades. Our history includes a legacy of lost jobs and struggling communities with the shuttering and off-shoring of former steel mills. We've long faced disinvestment and abandonment, which affects our tax base, has caused the tax burden to shift to other tax payers, drives our tax rates up, and affects the ability to attract investment.

SSMMA municipalities have partnered with the South Suburban Land Bank and Development Authority and the Cook County Land Bank to try and get these troubled properties back in productive re-use. But, more than that, we recognized that it called for an innovative solution. And we believe that House Bill 1842 is that innovative economic development tool that has the potential—at no cost to the State— to address blight and replace and expand the tax base and local jobs through the re-establishment of strong industrial and commercial properties throughout the south suburbs.

Getting tax exempt parcels back on the tax rolls is the goal. The result would be revitalization of blighted, abandoned properties, new investment, new jobs, economic recovery, and a growing tax base that benefits everyone-- helping alleviate tax pressures on existing residential and business property owners. HB 1842 would aid in the generation of important new revenue for schools and other taxing bodies, with annual tax proceeds split according to proportionate share. Nowhere is this more needed than the Southland but we think House Bill 1842 could also serve as a model for other regions in the future.

In closing, I urge members of the Committee to support the pilot program proposed in HB 1842. I'm joined by Kristi DeLaurentiis, SSMMA Executive Director and we would be happy to answer any questions you may have at this time.

Respectfully submitted,
Mayor Rick Reinbold, Village of Richton Park