

CLEARING ROADBLOCKS TO DEVELOPMENT, INVESTMENT, & GROWTH

Fixing Chicago's Cumbersome Debt Check Process

ADDRESSING DEBT CHECK DELAYS AND INACCURACIES

Chicago's debt check process is built on outdated data, disconnected software systems, and manual processes that lead to errors – such as misclassified bills and unrecognized debts. Unlike most other major cities, Chicago requires debt checks before issuing permits, business licenses or city contracts, applying them not only to applicants but also to entire properties by association. Small debts and mistakes cause delays, which negatively impacts the small business community and property owners, stalls construction, and stymies the economic development Chicago needs.

REFORMING THE CITY'S DEBT CHECK PROCESS

We fully support collecting the debts owed to the City. These proposed reforms streamline operations, improve fairness, and support timely compliance – while still ensuring the City collects what it's owed. Key provisions of the proposed ordinance include:

- **Minimum Debt Threshold:** Sets a \$5,000 minimum debt threshold before any permit or license application, or contract is delayed on the front end and ensures a method to collect debt below this threshold doesn't hold up the new project, business opening, or city contract.
- **Annual Debt Checks:** Extends debt check clearance certificates to one year, reducing administrative burdens for applicants and the City.
- **Reasonable Look-Back Timeframe:** Limits the debt look-back period to five years (where data is more reliable), creating a more reasonable and consistent standard.
- **Documented Debt:** Ensures the City provides clear documentation – such as a bill, invoice, return, or other record – when notifying responsible parties about outstanding debt.
- **Transparent Dispute Process:** Establishes a transparent and expedited appeal process to ensure timely resolution of disputed debts.

Together, these updates strengthen the City's operations and better serve the public. Modernizing the debt check process will cut red tape, reduce errors, and enhance revenue collection – clearing the way for stronger economic development, business expansion, and job growth across Chicago.

ENDORSED BY:

