

Debt Check Process Reform Coalition: FAQs

Do businesses and property owners support paying their debts?

Yes. Businesses and property owners fully expect to pay what they legitimately owe. The issue is not the debt itself — it's the lack of notice, the frequency of errors, and the absence of a way to fix those errors quickly. Reform ensures people can resolve real debts while not being unnecessarily foreclosed from starting or advancing their businesses or being held responsible for someone else's bill.

What is the purpose of debt check reform?

The goal is to modernize the City's debt check process for business licenses and permits so it is accurate, predictable, and fair. Property owners and businesses want to pay what they owe — they just don't want to be surprised by debts they were never notified about or that aren't theirs. A clearer, more reliable system benefits everyone and helps economic development and job creation move forward.

Why is reform needed now?

The City's current debt check system is outdated, inconsistent, and often inaccurate. Debts can be decades old with no supporting documentation, frequently misassigned, and there is no meaningful appeal process to fix errors. These problems create long and unnecessary delays for projects, tenants, and businesses across the city. Modernizing the system will reduce errors, improve transparency, and ensure the City collects the right debts from the right parties. Reforming the system will foster economic development because business licenses, permits and contracts will not be needlessly delayed.

Do other major cities require debt checks for permit and license applications?

Most major cities — along with neighboring cities in the Midwest — do *not*

require debt checks for permit or license applications. New York is a notable exception, but its review applies only to outstanding property taxes and only when the amount exceeds \$25,000.

How do debt checks impede economic development?

Delays caused by small or incorrect debts can stall projects and slow construction, investment, and job creation. Using an unreliable process to chase minimal debts — often far outweighed by the permit’s value and future tax revenue — isn’t smart government. It adds costs, deters development, and weakens Chicago’s competitiveness. A more efficient system will strengthen the tax base and attract investment.

Why is an appeal process necessary?

Right now, there is no practical, time-sensitive way to challenge a debt that is incorrect or assigned to the wrong party. As a result, applicants can face long delays or feel pressured to pay debts they do not owe just to move forward. A formal appeal process will allow errors to be corrected quickly and fairly, preventing unnecessary delays and protecting applicants from wrongful charges.

How will reform benefit the City of Chicago?

A modernized debt check system will:

- Improve accuracy and transparency
- Reduce delays for permits, licenses and contracts
- Encourage more development, investment, and job creation
- Increase the City’s tax base
- Ensure the City collects legitimate debts more efficiently

Reform is a win for businesses, property owners, residents, and the City’s long-term economic health.