



## CLEARING ROADBLOCKS TO DEVELOPMENT, INVESTMENT, & GROWTH

### *Fixing Chicago's Cumbersome Debt Check Process*

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#### 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Chicago's debt check process is built on outdated data, disconnected software systems, and manual processes that lead to errors – such as misclassified bills and unrecognized debts.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 every other major city, Chicago requires debt checks before issuing permits, business licenses or city contracts, applying them not only to applicants but also to property owners. 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 simply 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:

- **Applicant-Focused Checks:** Limiting debt checks to the applicant streamlines permitting, avoids delays, and ensures no one is forced to pay someone else's debt.
- **Annual Debt Checks:** Extend debt check clearance certificates to one year, reducing administrative burdens for applicants and the City.
- **Reasonable Look-Back Timeframe:** Limit the debt look-back period to five years (where data is more reliable), creating a more reasonable and consistent standard.
- **Minimum Debt Threshold:** Set a \$5,000 minimum debt threshold before any permit or license application, or contract is delayed on the front end and ensure a method to collect debt below this threshold doesn't hold up the new project, business opening, or city contract
- **Transparent Dispute Process:** Establish 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.