

**AN ORDINANCE REGARDING
CASH BONDS IN CONNECTION WITH
BUILDING PERMITS AND ZONING APPLICATIONS**

WHEREAS, the City of Rolling Meadows, as a home rule unit of local government as provided by Article VII, Section 6(a) of the Illinois Constitution of 1970, has the authority to exercise any power and perform any function pertaining to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Section 18-3-7 of the Rolling Meadows Municipal Code requires that a cash deposit be made in connection with certain types of building or construction projects in order to “assure code compliance and reimbursement for additional inspections” in the amount of 0.5% of construction value subject to a minimum deposit requirement of \$100 and a maximum deposit requirement of \$5,000 (“**Code Compliance Bond Requirement**”); and

WHEREAS, Section 122-391 of the Rolling Meadows Municipal Code requires that an applicant for zoning relief place a City-provided sign advertising the public hearing for the relief, and Appendix B of the Municipal Code requires the applicant to pay the sum of \$100 per sign provided in order to guarantee the return of the City’s sign (“**Sign Deposit Requirement**”) (together, the Code Compliance Bond Requirement and the Sign Deposit Requirement are the “**Guarantee Requirements**”); and

WHEREAS, the deposits made pursuant to the Guarantee Requirements are rarely drawn upon by the City and are not in an adequate amount to incent or guarantee compliance with the Municipal Code, and the City desires to modify these requirements in order to increase the ease of administration of the Municipal Code and support investments in real property within the City; and

WHEREAS, over time, the City has accumulated unneeded deposits made pursuant to the Guarantee Requirements (each a "**Guarantee Deposit**" and collectively the "**Excess Guarantees**"), and has identified at least 310 Guarantee Deposits in the aggregate sum of \$120,932.90, many of which the City desires to dispose of; and

WHEREAS, the Corporate Authorities of the City of Rolling Meadows have determined that it is in the best interest of the City to amend the Municipal Code to modify the Guarantee Requirements in the manner set forth herein, and to establish a procedure for the City to return or dispose of the Excess Guarantees.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Rolling Meadows, Illinois:

Section 1: The recitals set forth above are incorporated herein by reference.

Section 2: Section 18-3-7, entitled "Code Compliance and Inspection Bond", of Section 18-3, entitled "Permit and inspection fees", of Article I, entitled "Building Code", of Chapter 18, entitled "Buildings and Building Regulations", of

the Municipal Code of the City of Rolling Meadows, is hereby amended to read as follows:

18-3-7: Code compliance and inspection bond:

- A. *Bond Required, When.* No permit for new construction, alterations, additions or repairs of buildings or structures with a construction valuation of \$200,000 or greater shall be issued unless the applicant deposits with the city a cash bond to ensure code compliance and reimbursement for additional inspections performed under applicable sections of this chapter. The Community Development Director or their designee may also require an applicant to deposit a cash bond in connection with any permit issued under this Chapter 18 where the permitted work: (i) is valued over \$20,000 and there is reasonable cause for concern regarding project completion as determined by the Community Development Director; or (ii) may result, as determined by the Community Development Director, in damage to City property or rights-of-way. The amount of the cash bond shall be as provided in Appendix B to the City Code. The Director may also, in their discretion, accept an irrevocable letter of credit or other form of surety in lieu of a cash bond in a form satisfactory to the City Attorney, and all references to "cash bond" shall be deemed references to such surety.
- B. *City Draws on Bond for Reinspection.* The City may draw upon the cash bond for any reinspection fees required in relation to a permit.
- C. *City Right To Draw On Bond.* The City has the right at all times, at its option, to draw on the cash bond to reimburse the City for the costs, including, without limitation, legal fees and administrative expenses, actually incurred and reasonably estimated to be incurred by the City in exercising any of its rights under this Chapter in the event: (i) the applicant undertakes any work in violation of any provision of this Chapter or of any permit issued or plan approved pursuant to this Chapter or (ii) the applicant fails or refuses to complete the work authorized by any permit issued under this Chapter in accordance with all plans approved in connection with said permit.
- D. *Replenishment of Bond.* If the City draws upon the cash bond, the Director or their designee may require the Applicant to replenish the bond up to the full amount permissible under Appendix B to the City Code within five days after a demand therefore is made to the applicant in writing by the City. Should the applicant fail to fully replenish the bond after five days, the Director or their designee may suspend or cancel any related permits. If cancelled, said permits may be reissued after the filing of a new application and payment of the required fees therefor.
- E. *Recovery For Damages Not Limited:* Draws or forfeitures of the cash bond permissible by this Section are in addition to, and shall not be construed as a limit upon: (i) the amount of damages that may be recovered by the City or any other person; or (ii) any other remedy or penalty provided by

any code, ordinance, or regulation of the City or otherwise provided by law.

F. *Return of Bond.* Upon satisfactory completion of the construction, the cash bond shall be refunded, less any deductions, and without interest.

G. *Forfeiture Of Bond.* The cash bond shall be forfeited to the City in full if:

1. The Applicant does not request a final inspection prior to the expiration of the permit for which the cash bond was made as provided in Section 18-4-2.D of the Municipal Code;
2. The Applicant does not cure all defects in the performance of the work pursuant to the permit for which the cash bond was posted within 30 days after the specified date for completion in the City's written notice; or
3. The Applicant occupies the building or any portion of the building without written permission or certificate of occupancy.

* * *

Section 3: Section VI, entitled "Building and Construction Fees," of Appendix B, entitled "Schedule of Rates, Fees, Fines and Penalties" of the Municipal Code of the City of Rolling Meadows is hereby amended at paragraph A, subparagraph 29 to read as follows:

"* * *

29. *Code, compliance and inspections bond:* The applicant must post with the City, at the time of issuance of a permit, a cash bond to guarantee (i) the timely completion of work in a manner that is compliant with this Code and all applicable laws, and (ii) restoration of any damage to City property. The amount of the cash bond shall be one-half of one percent of the construction valuation, but shall not be less than \$1,000.00 nor more than \$5,000.00 dollars.

Where a different amount is explicitly provided by a development agreement between the Applicant and the City, a grant of zoning relief related to the permitted work, or any other action of the Corporate Authorities, said amount shall govern.

The Community Development Director may reduce the amount of the initial deposit and may refund part or all of the deposit during construction where, in the Director's determination, a lesser amount will serve as an adequate guarantee.

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Section 4: Section XXIV, entitled "Zoning," of Appendix B, entitled "Schedule of Rates, Fees, Fines and Penalties" of the Rolling Meadows Municipal Code is hereby amended to read as follows:

"A. Zoning Application and Associated Fees

	Application Fee	Publication	Sign	Cash Advance
Rezoning	\$500.00	\$75.00	No Deposit.¹	\$1,500.00
Subdivision/Consolidation - Preliminary	\$1,000.00	\$75.00	No Deposit.¹	\$2,000.00
Subdivision/Consolidation - Final	\$750.00	\$75.00	No Deposit.¹	\$2,500.00
Subdivision/Consolidation - Combined	\$1,500	\$75.00	No Deposit.¹	\$5,000.00
Text Amendment	\$500.00	\$75.00	No Deposit.¹	\$1,500.00
Variance - Residential	\$100.00	\$75.00	No Deposit.¹	\$1,000.00
Variance - Commercial	\$500.00	\$75.00	No Deposit.¹	\$2,000.00
Appeal - Residential	\$100.00	\$75.00	No Deposit.¹	\$1,000.00
Appeal - Commercial	\$100.00	\$75.00	No Deposit.¹	\$1,000.00
Special Use	\$500.00	\$75.00	No Deposit.¹	\$2,500.00
Planned Development - Preliminary	\$2,000.00	\$75.00	No Deposit.¹	\$3,000.00
Planned Development - Final	\$1,500.00	\$75.00	No Deposit.¹	\$5,000.00
Planned Development - Combined	\$3,250.00	\$75.00	No Deposit.¹	\$7,500.00
Planned Development - Amendment	\$1,000.00	\$75.00	No Deposit.¹	\$1,500.00

Footnotes:

1 – For each public notice sign (pursuant to Section 122-391) furnished by the City that the Applicant fails to return to the City at the conclusion of a zoning application, the City may assess a fee per sign in the greater amount of (i) \$100 or (ii) the actual cost of fabricating a replacement sign.

* * *

Section 5. The City Manager is hereby directed to refund all Excess Guarantees held by the City as of the effective date of this Ordinance, in accordance with the following procedure:

A. All Guarantee Deposits under \$1,000 provided in connection with currently active building permits shall be refunded to the permit applicant within 90 days after the effective date of this Ordinance.

B. Each Guarantee Deposit provided in connection with expired or inactive building permits must be refunded to the permit applicant within 45 days after receipt of a written claim therefor from the applicant; provided, however, that each Guarantee Deposit will be forfeited by the applicant, and transferred to the general corporate fund of the City, if: (1) the Director of Community Development or their designee mails three successive written notices to the permit applicant for such Guarantee Deposit, at the last known address for the applicant, with each such notice mailed at least 30 days after the date of mailing of the prior notice; and (2) the applicant fails to submit a written claim for such Guarantee Deposit to the Department of Community Development within 30 days after the date of mailing of the third written notice.

C. Nothing in this Ordinance requires the refund of any cash bond held by the City unless both (i) the cash bond was posted solely to satisfy the Code Compliance Bond Requirement or the Sign Deposit Requirement; and (ii) no further basis remains to retain the cash bond following the adoption of this Ordinance.

Section 6: If any provision of this Ordinance or part thereof is held invalid by a court of competent jurisdiction, the remaining provisions of this Ordinance

shall remain in full force and effect, and shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Ordinance to the greatest extent permitted by applicable law.

Section 7: This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED AND APPROVED by the City Council of Rolling Meadows, Cook County, Illinois this 14th day of March, 2023.

AYES: Bisesi, Reyez, Sanoica, McHale, Budmats, O'Brien, Vinezeano

NAYS: 0

ABSENT: 0



Joe Gallo, Mayor

ATTEST:



Judith Brose, Deputy City Clerk

Published this 17th day of March, 2023.



Judith Brose, Deputy City Clerk