



# City of Chicago



R2018-1144

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 10/31/2018

**Sponsor(s):** Villegas (36)  
Waguespack (32)  
Taliaferro (29)

**Type:** Resolution

**Title:** Submission of public question by referendum to Chicago voters at February 26, 2019 election seeking to impose increase in Chicago's portion of real estate transfer tax for purpose of retrofitting and remediating Chicago's water delivery pipes and infrastructure to eliminate lead and other harmful contaminants

**Committee(s) Assignment:** Committee on Committees, Rules and Ethics

RECEIVED Committee on Finance  
October 31, 2018  
18 OCT 30 PM 4: 24 City Council Meeting  
OFFICE OF THE  
CITY CLERK

## RESOLUTION

WHEREAS, Chicago currently has 360,000 lead service lines, the largest number of lead service lines in the country; and

WHEREAS, EPA standards for drinking water mandate that maximum allowable levels of lead in drinking water are 15 parts per billion, and;

WHEREAS, it is reported that over the last two years, elevated levels of lead have presented in approximately 70% of the almost 2,800 homes that undertook lead tests; and

WHEREAS, tap water in 3 out of 10 homes tested contained lead concentration above the maximum legally permitted by the U.S. Food and Drug Administration; and

WHEREAS, historically lead poisoning disproportionately impacts low-income neighborhoods; and

WHEREAS, the EPA and the U.S. Centers for Diseases Control and Prevention states that it is hazardous to consume any amount of lead; and

WHEREAS, the EPA further states that, “[i]n children, low levels of exposure have been linked to damage to the central and peripheral nervous system, learning disabilities, shorter stature, impaired hearing, and impaired formation and function of blood cells...[b]ehavior and learning problems...lower IQ and hyperactivity, slowed growth, anemia...[and]...ingestion of lead can cause seizures, coma and even death”; and

WHEREAS, infants and young children “are particularly vulnerable to lead because the physical and behavioral effects of lead occur at lower exposure levels in children than in adults...dose[s] of lead that would have little effect on an adult can have a significant effect on a child...” and;

WHEREAS, the indirect cost of lead poisoning nationally is documented, with experts estimating that elimination of lead nationally has the potential to save \$200 billion per year; and

WHEREAS, the Illinois General Assembly, in 65 ILCS 5/8-3-19, allows a home rule municipality to increase its Real Estate Transfer Tax only by means of referendum; and

WHEREAS, the City of Chicago is a home rule municipality under Article VII of the 1970 Illinois Constitution; and

WHEREAS, the “City Portion” of the City of Chicago's current transfer tax rate is three dollars and seventy-five cents (\$3.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof; and

WHEREAS, the City seeks to increase the “City Portion” of its real estate transfer tax, keeping the current rate at three dollars and seventy-five cents (\$3.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for transfers up to seven hundred and fifty thousand dollars (\$750,000.00) in transfer price, and increasing the rate to eight dollars and seventy-five cents (\$8.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for transfers over seven hundred and fifty thousand dollars (\$750,000.00) in transfer price; and

WHEREAS, the increased revenue shall be dedicated to a special purpose fund identified as the Lead Abatement Transfer Tax Fund, and all moneys in that fund shall be subject to continuing appropriation, under which said moneys shall, on a semi-annual basis, be immediately available to the Department of Water Management, for the sole purpose of retrofitting and remediating the city's water delivery pipes and infrastructure to eliminate lead and other harmful materials from the water delivered to the city's residents, schools, parks, businesses, and visitors; and

WHEREAS, the City Council of the City of Chicago hereby finds it in the best interest of the City to impose such an increased real estate transfer tax to address the need for retrofitting and remediating the city's water delivery pipes and infrastructure to eliminate lead and other harmful materials from the water delivered to the city's residents, schools, parks, businesses, and visitors; now, therefore,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHICAGO**

**Section 1.** The foregoing recitals are found as fact and incorporated herein by reference.

**Section 2.** In accordance with 65 ILCS 5/8-3-19, the City Council of the City of Chicago hereby initiates and authorizes the following referendum question to be

submitted to the voters of the entire City of Chicago at the regularly scheduled municipal general election next occurring after the effective date of this resolution on February 26, 2019:

Shall the City of Chicago impose a real estate transfer tax increase of 133 percent (133%) to establish a new transfer tax rate of eight dollars and seventy-five cents (\$8.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for transfers over seven hundred and fifty thousand dollars (\$750,000.00) in transfer price to be paid by the buyer of the real estate transferred?

The current rate of the "City Portion" of the real estate transfer tax is \$3.75 per \$500.00 of the transfer price, or fraction thereof, and the revenue is used for general corporate purposes. The revenue from the increase is to be used for the sole purpose of retrofitting and remediating the city's water delivery pipes and infrastructure to eliminate lead and other harmful materials from the water delivered to the city's residents, schools, parks, businesses, and visitors. The increase would concern the "City Portion" of the tax only, and there would be no increase in the rate of the "CTA Portion" of the tax, which is \$1.50 per \$500.00 of the transfer price, or fraction thereof.

Yes

No

**Section 3.** The City Clerk of the City of Chicago shall certify the referendum question referenced herein to the Chicago Board of Election Commissioners in accordance with Article 28 of the Election Code.

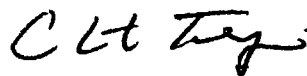
**Section 4.** This Resolution shall be in full force and effect upon its passage.



36<sup>th</sup> Ward



32<sup>nd</sup> Ward



29<sup>th</sup> Ward