



# Office of the City Clerk

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## Legislation Text

File #: SO2012-8291, Version: 1

### SUBSTITUTE

### ORDINANCE

#### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 11-12-540 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

#### **11-12-540 Exemptions from charges.**

(a) The comptroller shall exempt from the payment of water rates the property enumerated in this subsection (a) if the account for such property is controlled by meter, as follows. If the account for such property is not controlled by meter, no exemption shall apply.

*(Omitted text is unaffected by this ordinance)*

5) ~~All hospitals~~ Hospitals located within the corporate limits of the City that are operated by the Cook County government shall be exempt from payment of 100% of the water service charge.

6) Except as otherwise provided in item paragraph (5) of this subsection (a), all not-for-profit disproportionate share hospitals located within the corporate limits of the City shall be exempt from payment of 60% of the water service charge in 2012, 40% of the water service charge in 2013, and 30% at least 25% of the water service charge in 2014 and thereafter, if such not-for-profit hospital qualifies for a disproportionate share adjustment consistent with Section 148.120 of Subchapter d of Chapter I of Title 89 of the Illinois Administrative Code, as amended, codified at 89 111. Adm. Code § 148.120. Provided, however, that in 2014 and thereafter, if such disproportionate share hospital has net assets or fund balances of:

(j) less than One Million Dollars (\$1,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such disproportionate share hospital shall be exempt from payment of 100% of the water service charge;

(H) One Million Dollars (\$1,000,000.00) or more but less than Ten Million Dollars (\$10,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such disproportionate share hospital shall be exempt from payment of 60% of the water service charge.

7) ~~All public~~ Public museums shall be exempt from payment of 20% of the water service charge, if such public museum is eligible to receive funds for capital development under subdivision (7) of § 1-25 of the Department of Natural Resources Act, as amended, codified at 20 ILCS 801/1-1 et seq.

8) Not-for-profit organizations as defined in subparagraph (8)0) of this subsection (a), other than any entity identified in ~~items~~ paragraphs (1) through (7) of this subsection (a), that adopt a water conservation plan and perform within the corporate limits of the city charitable work benefiting the public shall be exempt in 2013 and thereafter from payment of the water service charge for water supplied to premises . owned and used and occupied exclusively by such not-for-profit organization, as follows:

i) If, as of November 9, 2011, such not for-profit organization had applied for and was subsequently granted a charitable exemption from payment of any portion of the water service charge for such premises in calendar year 2011, such not for profit organization shall be exempt from payment of 60% of the water service charge in 2012, 40% of the water service charge in 2013 and 20% of the water service charge in 2014 and thereafter for water supplied to premises owned and used and occupied exclusively by such not-for-profit organization. Provided, however, that such exemption shall not apply to any not-for-profit organization that has net assets or fund balances of \$250,000,000.00 or more at the end of the tax year or calendar year immediately preceding any calendar year and that is required by federal law or regulation to make such information available to the public- If the not-for-profit organization has net assets or fund balances of less than One Million Dollars (\$1,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 100% of the water service charge;

ii) If, as of November 9, 2011, such not-for-profit organization had not applied for a charitable exemption from payment of any portion of the water service charge for such premises in calendar year 2011 and such not for profit organization is otherwise eligible for such exemption, such not-for-profit organization shall be exempt from payment of 20% of the water service charge in 2012 and thereafter for water supplied to premises owned and used and occupied exclusively by such not-for-profit organization. Provided, however, that such exemption shall not apply to any not-for-profit organization that has net assets or fund balances of \$250,000,000.00 or more at the end of the tax year or calendar year immediately preceding any calendar year and that is required by federal law or regulation to make such information available to the public. If the not-for-profit organization has net assets or fund balances of One Million Dollars

2

(\$1,000,000.00) or more but less than Ten Million Dollars (\$10,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 60% of the water service charge;

iii) If the not-for-profit organization has net assets or fund balances of Ten Million Dollars (\$10,000,000.00) or more but less than Two Hundred Fifty Million Dollars (\$250,000,000.00) at the

end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 25% of such water service charge:

iv) If the not-for-profit organization has net assets or fund balances of Two Hundred Fifty Million Dollars (\$250,000,000.00) or more at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be not be entitled to any exemption from payment of the water service charge and shall be required to pay 100% of the water service charge.

v) As used in this paragraph (8), the term "not-for-profit organization" means an Illinois corporation organized and existing under the General Not For Profit Corporation Act of 1986 in good standing with the State and having been granted status as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986.

(b) (1) The supply to all premises enumerated in this section on which water may be taken from the waterworks system of the City of Chicago shall be controlled by meter, and the cost of meter, its installation, connections and vaults thereof, and the erection, construction and maintenance thereof shall be paid for and be borne by the institution or owner thereof. Nothing contained in this paragraph shall be held to exempt property of the United States, of the State of Illinois, or of any of its political subdivisions except as hereinbefore mentioned.

(2) If, at the determination of the City, a vault is required to be built on the public right of way prior to the installation of a water meter at a location owned by a not-for-profit organization as defined in subparagraph (8)(v) of subsection (a) of this section, and such not-for-profit organization demonstrates to the satisfaction of the comptroller that the organization will suffer undue financial hardship if the organization is required to pay the costs associated with installing the vault and water meter, including any additional costs that may be incurred by the City in connection with the excavation of the associated structure, the comptroller may enter into a written installment plan agreement with such not-for-profit organization allowing the organization to pay such costs over an extended period of time in substantially equal installments. Failure to comply with the terms of the installment plan agreement may result, if applicable, in loss of the not-for-profit organization's exemption under paragraph (8) of subsection (a) of this section from payment of the water service charge.

### 3

Each installment plan shall be in a form prescribed by the comptroller, and shall state the organization's total indebtedness to the City for such costs, the amount of the initial installment, the amount of each subsequent installment, the date by which each installment is due, the penalty for delinquency under the installment plan, and such other provisions as the comptroller may require. Provided, however, that the comptroller may deny any application where it is determined that the applicant has committed fraud or has failed to make a good faith effort to comply with this section. Any recommendation, action or decision of the comptroller regarding the existence of financial hardship or the financial hardship process shall be within the sole discretion of the comptroller. Nothing in this subsection (b)(2) shall be construed to prohibit a not-for-profit organization from voluntarily making an initial minimum payment or monthly installment payment in an amount greater than provided in the installment plan agreement.

As used in this subsection (b)(2), the term "comptroller" means the comptroller of the City of Chicago or the comptroller's designee.

*(Omitted text is unaffected by this ordinance)*

4

SECTION 2. This ordinance shall take full force and effect upon its passage and publication, and shall apply retroactively to January 1, 2013.

CHICAGO, May 08, 2013

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration a proposed Ordinance Co-sponsored by Alderman Robert W. Fioretti (2) and Alderman Howard Brookins, Jr. (21) and others amending Section 11-12-540 of the Municipal Code of Chicago relating to the exemption from the payment of water rates, and having been presented with a proposed Substitute Ordinance Co-sponsored by Alderman Carrie M. Austin (34) and Alderman Howard Brookins, Jr. (21) amending Section 11-12-540 of the Municipal Code of Chicago relating to the exemption from the payment of water rates; and having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the Substitute Ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Carrie M. Austin Chairman