City of Chicago

O2017-7800

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	11/8/2017
Sponsor(s):	Villegas (36)
Type:	Ordinance
Title:	Amendment of Municipal Code Section 3-33-030 concerning greater tranparency on tax imposed for Chicago Transit Authority
Committee(s) Assignment:	Committee on Transportation and Public Way

Committee on Transportation

Type: Ordinance

Title: Promoting greater transparency on fiscal matters associated with the Chicago Transit Authority

Ordinance

Promoting Greater Transparency for Chicago Transit Authority Fiscal Matters

WHEREAS, by way of taxes, tax incentives, TIFs, intergovernmental agreements, and other contributions, the City and its taxpayers, residents, and businesses provide significant financial support to the Chicago Transit Authority for its operations and capital projects; and

WHEREAS, despite requests for detailed information, the Chicago Transit Authority has not been especially forthcoming in sharing budgetary and fiscal details with its stakeholders, including the City; and

WHEREAS, through and because of such financial support given C.T.A. by the City and taxpayers, including the higher tax burden imposed on taxpayers through several Tax Incremental Allocation Financing districts, the City's ttransit stakeholders, including taxpayers, passengers, and the City itself, have a duty and right to seek and obtain such budgetary and fiscal documents and information; now therefore

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

SECTION 1. Chapter 3-33-030 of the Municipal Code is hereby amended by adding the underscored text and deleting the struck-through text as follows:

3-33-030 Tax imposed.

A. Except as otherwise provided in this chapter, a tax is imposed upon the privilege of transferring title to, or beneficial interest in, real property located in the city, whether or not the agreement or contract providing for the transfer is entered into the city. The tax shall be at the rate of $3.75 per $500.00 of the transfer price, or fraction thereof, of the real property or the beneficial interest in real property.

B. (1) The tax imposed by this chapter is due upon the earlier of the delivery or recording of the deed, assignment or other instrument of transfer.

(2) In the case of an assignment of a beneficial interest in a trust, delivery shall be deemed to occur when the trustee receives possession of a valid assignment of the beneficial interest. In the case of other transfers, delivery shall be deemed to occur when the transferee, or the transferee's representative or agent, receives or becomes entitled to receive possession of the instrument of transfer.

C. Except as otherwise provided in subsection (F) of this section, the primary incidence of the tax and the obligation to pay the tax are on the purchaser, grantee, assignee or other transferee; provided, however, that if the transferee is exempt from the tax solely by operation of state law, then the incidence of the tax and obligation to pay the tax shall be upon the transferor.

D. The tax imposed by this chapter shall be due whether the transfer of a controlling interest in a real estate entity is effected by one transaction or by a series of related transactions. For purposes of this subsection, it shall be presumed unless proved otherwise that transactions are related if they occur within the same 24-month period.

E. Nothing in this chapter shall be construed to impose a tax upon any transaction or privilege which, under the constitutions of the United States or the State of Illinois, may not be made the subject of taxation by the city.

F. Pursuant to Section 8-3-19 of the Illinois Municipal Code, 65 ILCS 5/8-3-19, as amended, a supplemental tax at the rate of $1.50 per $500.00 of the transfer price, or fraction thereof, shall be imposed on transfers taking place on or after April 1, 2008, for the purpose of providing financial assistance to the Chicago Transit Authority (for purposes of this section, "C.T.A."). This supplemental tax shall be referred to as the "C.T.A. portion" of the Chicago Real Property Transfer Tax, and the tax imposed pursuant to subsection A of this section shall be referred to as the "City portion". The C.T.A. portion shall be paid by the transferor: provided that if the transferor is exempt from the tax solely by operation of state or federal law, then the incidence of the C.T.A. portion of the tax and obligation to pay the C.T.A. portion of the tax shall be upon the purchaser, grantee, assignee or other transferee; and provided further that it shall be unlawful for the transferee to accept a deed or other instrument of transfer if the C.T.A. portion of the tax is owed and has not been paid. If the C.T.A. portion of the tax is owed and has not been paid at the time it is due, then the transferor and transferee shall be jointly and severally liable for the tax, plus interest and penalties, and the real property that is the subject of the transfer shall be subject to the lien provided in Section 3-33-120. Pursuant to an intergovernmental agreement to be entered into between the department of finance (for purposes of this section, "Department") and the C.T.A, the Department shall administer and enforce the C.T.A. portion of the tax. The intergovernmental agreement shall include a reasonable collection fee for the Department, which may be based on a percentage of the gross collections of the C.T.A. portion of the tax. Except as otherwise provided herein, all terms of this chapter and any rules and regulations issued by the Department shall apply to the C.T.A. portion of the tax in the same manner as they apply to the City portion. All amounts of the C.T.A. portion collected, after fees for costs of collection, shall be provided to the C.T.A. on a quarterly basis, as promptly as practicable upon receipt as provided herein and in the intergovernmental agreement, provided that the Transportation Committee certfies through resolution that representatives of the C.T.A. appeared before the Transportation Committee prior to the Committee's consideration and adoption of the City's annual budget, and presented to the Committee the proposed C.T.A. budget for the forthcoming fiscal year, which budget shall be supported by such documents and information as detail said budget to the satisfaction of the Committee; and further provided that on a quarterly basis, representatives of the C.T.A. appear before the Transportation Committee and present to the Committee a quarterly report relative to the implementation of the current C.T.A. budget; and further provided that on a quarterly basis, the Transportation Committee through resolution authorizes and approves the quarterly distribution to the C.T.A.referenced herein. The Department shall file a report with the Illinois Department of Revenue each month certifying the amount paid to the C.T.A. in the previous month from the proceeds of the supplemental tax.

SECTION 2. Chapter Y-YY-YYY of the Municipal Code is hereby amended by adding the underscored text and deleting the struck-through text as follows:

SECTION 3. This Ordinance shall take effect following passage and publication.

Gilbert Villegas
Alderman, 36th Ward

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