



City of Chicago



O2016-4003

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	5/18/2016
Sponsor(s):	Burke (14)
Type:	Ordinance
Title:	Amendment of Municipal Code Chapter 13-12 requiring mortgagees to register, secure and maintain certain buildings
Committee(s) Assignment:	Committee on Finance

ORDINANCE

WHEREAS, The City of Chicago is a home rule unit government pursuant to the 1970 Illinois Constitution, Article VII, Section 6(a); and

WHEREAS, Pursuant to its home rule power, the City of Chicago may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Chicago has responded to the foreclosure crisis by requiring mortgagees to register, secure and maintain certain vacant residential buildings which have not been registered by an owner; and

WHEREAS, Numerous cities across the country have responded to the foreclosure crisis by implementing abandoned property registration programs; and

WHEREAS, Properties in default can quickly become vacant and abandoned which negatively affects the quality of life in Chicago's neighborhoods; and

WHEREAS, It is difficult to identify and contact mortgagees of properties in default; and

WHEREAS, The City of Chicago intends to improve the efficiency and effectiveness of its ordinance requiring mortgagees to register, secure and maintain certain buildings; NOW THEREFORE

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

SECTION 1. The above recitals are expressly incorporated herein and made part hereof as though fully set forth herein.

SECTION 2. Chapter 13-12 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and inserting the language underscored, as follows:

13-12-126 Vacant buildings – Mortgagee required to act – Enforcement authority.

(a) (1) The mortgagee of any residential building that ~~has become vacant and which~~ is not registered pursuant to this section or Section 13-12-125(a) of this Code shall, within 10 ~~the later of 30 days after the building becomes vacant and unregistered or 60~~ days after a default, file a registration statement with the department of buildings or its designee on forms provided by that department for such purposes and pay a registration fee of \$500.00. The registration shall remain valid for twelve ~~six~~ months from the date of registration. The mortgagee shall be required to renew the registration every twelve ~~six~~ months as long as the building remains in default or, if the mortgagee takes title to the building, the building is not registered pursuant to Section 13-12-125(a) of this Code vacant. ~~There shall be no fee for such renewal.~~ The mortgagee shall notify the department of buildings or its designee within 20 days of any change

in the registration information by filing an amended registration statement on a form provided by the department of buildings for such purposes. The registration statement shall be deemed prima facie proof of the statements therein contained in any administrative enforcement proceeding or court proceeding instituted under this section by the city against the mortgagee with respect to the registered building.

(2) In addition to other information required by the commissioner of buildings, the registration statement shall include the name, street address and telephone number of a natural person, 21 years of age or older, or business entity registered with the Illinois Secretary of State designated by the mortgagee as an authorized agent for receiving notices of code violations and for receiving process in any court proceeding or administrative enforcement proceeding on behalf of such mortgagee in connection with enforcement of this section. This person or business entity must maintain an office in Cook County, Illinois, or must actually reside in Cook County, Illinois. A mortgagee meeting these criteria may designate itself as agent. By designating an authorized agent under the provisions of this subsection a mortgagee consents to receive any and all notices of violations of this section concerning the registered building and all process in any court proceeding or administrative enforcement proceeding brought to enforce this section with respect to the registered building by service of the notice or process on the authorized agent. Any mortgagee who has designated an authorized agent under the provisions of this subsection shall be deemed to consent to the continuation of the agent's designation for the purposes of this subsection until the mortgagee notifies the department of buildings or its designee of a change of authorized agent or until the mortgagee files a new registration statement. The city shall notify the designated agent of all violations and enforcement proceedings brought under this section.

(b) The mortgagee of any ~~residential~~ building that has become vacant and which is not registered pursuant to Section 13-12-125(a) of this Code shall, within the later of 30 days after the building becomes vacant and unregistered or 60 days after a default:

(Omitted text is unaffected by this ordinance)

(2) maintain all grass and weeds on the ~~residential~~ real estate premises, below 10 inches in height and cut and remove all dead or broken trees, tree limbs or shrubbery;

(Omitted text is unaffected by this ordinance)

(10) maintain the building in a secure and closed condition and maintain the sign until the building is reoccupied or demolished with all permits required by this Code. If during the registration period and following the initial boarding and securing of the property in compliance with this section the department of buildings or its designee notifies the mortgagee in writing that the property was found open or it has been judicially or administratively found to be open, in each case on two separate occasions at least 30 days apart then the building shall thereafter be secured only with commercial-quality metal security panels or a method deemed equivalent by the commissioner of buildings; and

(Omitted text is unaffected by this ordinance)

(e) For purposes of this section, the following terms shall be defined as set forth below:

(1) "Default" shall mean, with respect to a ~~residential~~ building containing four or fewer dwelling units, when the mortgagor is 60 days past due on the mortgagor's obligation to make a scheduled payment under a mortgage or a mortgage note. With respect to all other ~~residential~~ buildings, "default" shall mean when the mortgagor is 90 days past due on the mortgagor's obligation to make a scheduled payment under a mortgage or a mortgage note.

(Omitted text is unaffected by this ordinance)

(5) "Vacant" shall mean any real estate improved with a complete structure ~~containing one or more dwelling units~~ or an incomplete structure ~~if the real estate is zoned for residential development~~, where the structure is empty or otherwise uninhabited by persons and the structure or lot is in need of maintenance, repair or securing, and with respect to which one or more of the following conditions exist:

(Omitted text is unaffected by this ordinance)

13-12-128 Termination.

(Omitted text is unaffected by this ordinance)

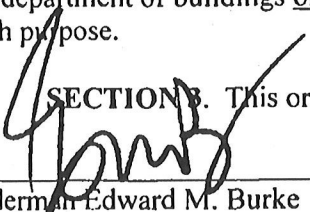
(c) Upon the occurrence of any of the following, the requirements of Sections 13-12-126 and 13-12-127 shall terminate with respect to a building:

(1) recorded conveyance of title to the underlying real estate, pursuant to foreclosure proceedings or otherwise:

(2) the building ceases to be vacant; or

(3) the building is demolished with all permits required by this Code.

(d) Within 20 days of termination pursuant to this section, a mortgagee shall notify the department of buildings or its designee on a form provided by the department of buildings for such purpose.


SECTION 3. This ordinance shall be in full force upon passage and publication.

Alderman Edward M. Burke
14th Ward