



# City of Chicago



SO2016-4003

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 5/18/2016

**Sponsor(s):** Burke (14)  
Dowell (3)  
Lopez (15)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapter 13-12 requiring mortgages to register, secure and maintain certain buildings

**Committee(s) Assignment:** Committee on Finance

**SUBSTITUTE**  
**ORDINANCE**

**WHEREAS**, The City of Chicago is a home rule unit of 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 the later of: (A) 30 days after the building becomes vacant and unregistered or 60 (B) 10 days after a default, file a registration statement with the department of buildings on forms provided by that department for such purposes and pay a registration fee of \$500.00. If the mortgagee elects to file upon condition (A) above, the initial registration fee shall be \$700. If the mortgagee elects to file upon condition (B) above, the initial registration fee shall be \$400. The registration shall remain valid for ~~six~~ twelve months from the date of registration. The mortgagee shall be required to renew the registration every ~~six~~ twelve months, at a renewal fee of \$700, as long as: (i) the building remains vacant and unregistered by an owner pursuant to Section 13-12-125, or

(ii) the mortgagor remains in default and the mortgagee has not assumed ownership, thereby becoming subject to Section 13-12-125. There shall be no fee for such renewal. The mortgagee shall notify the department of buildings 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.

*(Omitted text is unaffected by this ordinance)*

(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)*

(d) The commissioner of buildings may issue rules ~~and regulations~~ for the administration of this section, and is further authorized to administer the notification, registration and other recordkeeping requirements of this Section and Section 13-12-128 either directly or through one or more third-party agents. Subject to the availability of duly appropriated funds, the commissioner is authorized to: (i) contract with third parties to administer these notification, registration and other recordkeeping requirements and any ancillary aspects, and (ii) execute ancillary documents and provide ancillary information, assurances or certifications as needed to carry out this subsection (d). If authorized by the commissioner, notification and other filing/registration requirements in this section and in Section 13-12-128 shall be deemed satisfied by such notifications being provided to or by, or filings and registrations submitted to, the commissioner's agent.

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

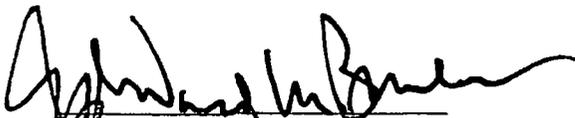
(1) "Default" shall mean, with respect to a residential building containing four or fewer dwelling units, when the mortgagor is 60 days past due on the mortgagor's obligation to make a scheduled payment under a mortgage or a mortgage note. With respect to all other residential buildings, "default" shall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

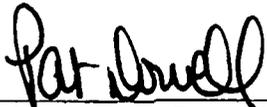
*(Omitted text is unaffected by this ordinance)*

**SECTION 3.** This ordinance shall be in full force and effect 90 days following passage and publication.



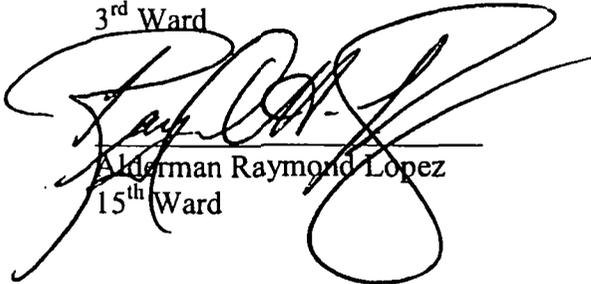
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Alderman Edward M. Burke  
14<sup>th</sup> Ward



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Alderman Pat Dowell  
3<sup>rd</sup> Ward



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Alderman Raymond Lopez  
15<sup>th</sup> Ward

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CHICAGO July 20, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A substitute ordinance concerning the authority to amend Chapter 13-12 of the Municipal Code of Chicago regarding vacant building registration and maintenance.

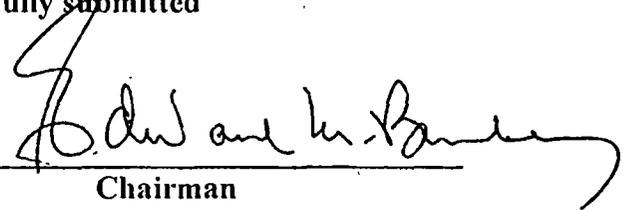
O2016-4003

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 with \_\_\_\_\_ dissenting vote(s).

Please note, Aldermen Dowell and Lopez have been added as sponsors to this Substitute Ordinance.

Respectfully submitted

(signed)   
Chairman