



City of Chicago



R2019-592

Office of the City Clerk

Document Tracking Sheet

| | |
|---------------------------------|--|
| Meeting Date: | 7/24/2019 |
| Sponsor(s): | O'Shea (19) |
| Type: | Resolution |
| Title: | Submission of public question by referendum to Chicago voters at March 17, 2020 election proposing increase of City of Chicago real estate transfer tax to meet City's funding obligations regarding Police and Fire Annuity and Benefit funds |
| Committee(s) Assignment: | Committee on Committees and Rules |

RESOLUTION

Rules

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, §6(a) of the Illinois Constitution, and, as such, may exercise any power and perform any function pertaining to its government and affairs: and

WHEREAS, the "City Portion" of the City of Chicago 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, per transaction; and

WHEREAS, Pursuant to the Illinois Election Code, 10 ILCS 5/28-1, et seq., and the Illinois Municipal Code, 65 ILCS 5/1-1-8, the corporate authorities of a municipality have the authority to submit a public question to the electors of the municipality by means of a referendum; and

WHEREAS, Section 8-3-19 of the Illinois Municipal Code states that a home rule municipality may increase a tax or other fee on the privilege of transferring title to real estate or on the privilege of transferring a beneficial interest in real property (a.k.a. "real estate transfer tax"), subject to referendum approval by the municipality's voters; and

WHEREAS, The City Council hereby intends to submit to referendum the question of increasing the City of Chicago's real estate transfer tax for the purpose of using the proceeds of such increase to meet the City's funding obligations to one or more of the following: the Firemen's Annuity and Benefit Fund of Chicago, the Policemen's Annuity and Benefit Fund of Chicago, the Municipal Employees' Annuity and Benefit Fund of Chicago, and the Laborers' Annuity and Benefit Fund of Chicago; and

WHEREAS, The City Council believes it is in the best interest of the residents of Chicago to move expeditiously to submit this proposition to the voters at the next regular election to be held not less than 79 days after the effective date of this resolution; now, therefore,

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

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

SECTION 2. The City of Chicago does hereby initiate and authorize the following public question to be submitted to the voters of the entire City of Chicago at the regularly scheduled election next occurring after the effective date of this resolution on Tuesday, March 17, 2020:

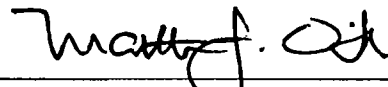
Shall the City of Chicago impose a real estate transfer tax increase of 27% for all transfer price that is above \$1,000,000.00 to establish a new transfer tax rate of \$3.75 per \$500 of all of the transfer price that is at or below \$1,000,000.00, and \$4.75 per \$500.00 of all of the transfer price that is above \$1,000,000.00, 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 to meet the City's funding obligations to one or more of following: the Firemen's Annuity and Benefit Fund of Chicago, the Policemen's Annuity and Benefit Fund of Chicago, the Municipal Employees' Annuity and Benefit Fund of Chicago, and the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago. 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. Following passage of this resolution, the City Clerk of the City of Chicago shall certify the public question referenced herein to the Chicago Board of Election Commissioners in accordance with Article 28 of the Illinois Election Code.

SECTION 4. This resolution shall be in full force and effect upon its passage.



Matthew J. O'Shea
Alderman, 19th Ward