



City of Chicago



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Office of the City Clerk

Document Tracking Sheet

Meeting Date: 9/24/2015

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Type: Ordinance

Title: Amendment of Municipal Code Chapter 2-32 by adding new
Section 2-32-627 concerning property tax rebate program

Committee(s) Assignment: Committee on Finance

ORDINANCE

PROPERTY TAX REBATE PROGRAM

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

WHEREAS, on September 3, 2015 the Mayor of the City called for a property tax increase that may amount to a sixty percent increase over the City's 2014 levy;

WHEREAS, such a large property tax increase threatens the stability of the City's neighborhoods by placing a burden on the limited incomes of the City's working families;

WHEREAS, it is in the best interests of the City's working families and neighborhoods to fashion a program of property tax relief; and

WHEREAS, the City Property Tax Rebate Program of 2010 identified \$35 million in funds from the parking meter concession revenues, of which only \$2.1 million was distributed; NOW, THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, AS FOLLOWS:

Section 1. Purpose: Relation to other Ordinances.

The purpose of this Ordinance is to provide for the implementation of a property tax relief program where the City will reimburse a portion of property taxes paid by qualified owner-occupants of certain residential units in the City upon application and presentation of proper documentation. Further, this Ordinance would reinstate relevant parts of the Property Tax Relief Program set forth in Section 2-32-627 of the Municipal Code of Chicago. To the extent that the provisions of this Ordinance conflict with any prior Ordinance or provision of the City, this Ordinance shall control.

Section 2. Definitions.

SECTION 1. Chapter 2-32 of the Municipal Code of Chicago is amended by adding a new Section 2-32-627, as follows:

2-32-627 Property Tax Rebate Program

(a) As used in this section:

"Applicable year" means the calendar year for which a homeowner has received a final real estate tax bill that exceeds the final real estate tax bill for the immediately preceding year in an amount that qualifies the homeowner for a grant under this section;

"Chief Financial Officer" means the Chief Financial Officer of the City of Chicago or his or her designee;

"Eligible homeowner" means an individual who, at the time of the application and since

January 1 of the calendar year immediately preceding the applicable year: (i) "has an adjusted gross income that is less than or equal to 400% of the Federal Poverty Level annually; (ii) is the owner of record of or has a legal or equitable interest, except for a leasehold interest that is not a residential cooperative, in property in this city that is used by the individual as the individual's principal place of residence; and (ii) is liable for paying the real estate taxes on the property. For purposes of the definition of "homeowner", an equitable interest shall include a beneficial interest in property that is held in an Illinois land trust;

"Household" means the homeowner, and the spouse or qualified domestic partner of the homeowner if the spouse or qualified domestic partner filed a joint federal income tax return with the homeowner for the applicable year;

"Household income" means the combined income of the members of a household for the applicable year;

"Property taxes" means the taxes on real property for which a homeowner is liable under the Property Tax Code, 35 ILCS 200/1-1, etseq. when that property is used by the homeowner as the homeowner's principal place of residence;

(b) The Chief Financial Officer is authorized to establish and administer a property tax rebate program under this section. Under this program, a homeowner who meets the eligibility requirements for a rebate under this section may receive a rebate in the amount specified in Section 3.

Section 3. Method of Computing and Reflecting Tax Relief.

Commencing in 2016, the City will reimburse a portion of the City's share of the real estate property taxes paid by owner-occupants of single-family homes, owner-occupants of town homes, owner-occupants of apartment buildings, and owner-occupants of residential condominium units up to a total maximum rebate of two thousand dollars. The formula below will be used to calculate the Rebate:

$((AV \times TI\%) \times 2)$: Rebate Amount

Where:

AV = Assessed Value

TI % = Tax Increase on percentage points

Thus the Rebate on a home with an assessed value of \$25,000 upon an increase of, for instance, .8%, would be $((25,000 \times .008) \times 2) = 400$. This would be applied to all homeowners as defined above.

Section 4. Implementation, Eligibility and Enforcement

The Chief Financial Officer of the City of Chicago will develop an application form and an application process for property tax rebates as prescribed by this Ordinance, incorporating

requirements as are necessary to effectuate the intent of this Ordinance, and incorporating the following specifications:

(a) A homeowner must file an application to participate in the relief program with the Chicago Tax Assistance Center within the Office of Budget and Management. The application shall be on a form prescribed by the Chief Financial Officer and shall include evidence of the homeowner's household income for the applicable year, evidence that the applicant became the homeowner prior to January 1st of the calendar year immediately preceding the applicable year, and evidence of the amount of the homeowner's real estate tax increase.

(b) The rebate will be paid only to owner-occupants who demonstrate that they, or their mortgage company, have paid the previous year's property taxes in full, and who certify that they have no prior year property taxes outstanding:

(c) The rebate will not be prorated for partial year residence;

(d) The rebate check will be mailed only to the address for which the owner-occupant demonstrated payment of the previous year's property taxes.

(e) Persons who are current on their taxes, but have other outstanding City debts shall be eligible for the grant.

(f) To be eligible for rebate the homeowner must have qualified for and claimed the Homestead Exemption for the previous tax year.

(g) The provisions of Section 2-156-110 of this Code shall not apply to city employees with respect to their participation in the property tax relief program created pursuant to this section.

(h) The Chief Financial Officer is authorized to expend legally available funds for the implementation of this section. The Chief Financial Officer shall additionally have authority to enter into agreements and execute documents necessary to implement this Ordinance, to promulgate rules and regulations necessary to implement this section and to prescribe application forms and other forms necessary to elicit relevant information concerning participants in the property tax rebate program. The Chief Financial Officer may request the Office of Compliance to conduct audits to determine eligibility of an applicant to participate in the property tax relief program created pursuant to this section. Any personal financial information provided to the City in connection with an application submitted under this section shall remain confidential.

Section 5. Penalties and Fines

(a) Should it be found that a property owner improperly receives a refund through misrepresentation or otherwise, the recipient of the rebate shall be liable to the City of Chicago in the amount of the rebate plus interest. Further, the property owner shall thereafter not be eligible for a rebate grant on that property, or any other properties that may become eligible for the following two tax years.

(b) Anyone found in improper receipt of a rebate is also subject to any other other remedies, fines and legal actions available to the City of Chicago.

Section 6. Expiration of Program

This section is repealed on June 30th, 2017; provided that this Section does not affect the authority of the City of the City to make payments pursuant to the rebate program on applications submitted on or before June 30th, 2017.

Section 7.

This ordinance shall be in full force and effect from and after its passage and approval.

Pat McGee

Carlos Ramirez-Rosa
Carlos Ramirez-Rosa
Alderman, 35th Ward

John Arena

John Arena
John Arena
Alderman, 45th Ward

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