



Office of the City Clerk

City Hall
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Room 107
Chicago, IL 60602
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Legislation Text

File #: R2019-854, **Version:** 1

Committee on Committees and Rules
November 13, 2019

RESOLUTION

WHEREAS, the Illinois General Assembly, specifically in 65 ILCS 5/8-3-19, allows home rule municipalities to increase their own Real Estate Transfer Taxes only by means of referendum; and

WHEREAS, the City of Chicago is a home rule municipality under Article VII of the 1970 Illinois Constitution; 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, the City seeks to restructure the "City Portion" of real estate transfer tax imposed, to establish a decreased transfer tax rate of two dollars and seventy-five cents (\$2.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration from \$1 up to \$500,000 AND a real estate transfer tax increase of twenty-seven percent (27%) to establish a new transfer tax rate of four dollars and seventy-five cents (\$4.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration from \$500,000.01 up to \$750,000 AND a real estate transfer tax increase of one hundred percent (100%) to establish a transfer tax rate of seven dollars and fifty cents (\$7.50) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration from \$750,000.01 up to \$3,000,000 AND a real estate transfer tax increase of one hundred and sixty seven percent (167%) to establish a transfer tax rate of ten dollars (\$10.00) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for real estate consideration from \$3,000,000.01 to up to \$10 million AND a real estate transfer tax increase of four hundred and thirty three percent (433%) to establish a transfer tax rate of twenty dollars (\$20.00) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration over \$10 million to be paid by the buyer of the real estate transferred; and

WHEREAS, the increased revenue shall be dedicated to the city's general budget and the Homeless Transfer Tax Fund and is a means to provide resources for affordable

housing and services to combat homelessness; and

WHEREAS, the City Council of the City of Chicago hereby finds it in the best interest of the City to impose such an increased real estate transfer tax to address the City's significant problem with homelessness; now, therefore,

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

Section 1. The foregoing recitals are found as fact and incorporated herein by reference.

Section 2. In accordance with 65 ILCS 5/8-3-19, the City Council of the City of Chicago hereby initiates and authorizes the following referendum question to be submitted to the voters of the entire City of Chicago at the next regular election occurring no less than 79 days after the effective date of this resolution:

Shall the City of Chicago impose a real estate transfer tax decrease of twenty-seven percent (27%) to establish a new transfer tax rate of two dollars and seventy-five cents (\$2.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration from \$1 up to \$500,000 AND a real estate transfer tax increase of twenty-seven percent (27%) to establish a new transfer tax rate of four dollars and seventy-five cents (\$4.75) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration from \$500,000.01 up to \$750,000 AND a real estate transfer tax increase of one hundred percent (100%) to establish a transfer tax rate of seven dollars and fifty cents (\$7.50) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration from \$750,000.01 up to \$3,000,000 AND a real estate transfer tax increase of one hundred and sixty seven percent (167%) to establish a transfer tax rate of ten dollars (\$10.00) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for real estate consideration from \$3,000,000.01 to up to \$10 million AND a real estate transfer tax increase of four hundred and thirty three percent (433%) to establish a transfer tax rate of twenty dollars (\$20.00) for every five hundred dollars (\$500.00) of transfer price, or fraction thereof, for consideration over \$10 million 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. 55% of the revenue from the increase is to be used for the city's general budget, and 45% is to be used for the sole purpose of providing housing and services to combat homelessness in the City 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

Section 3. The City Clerk of the City of Chicago shall certify the referendum question referenced herein to the Chicago Board of Election Commissioners in accordance with Article 28 of the Election Code,

Section 4. This Resolution shall be in full force and effect upon its passage.

Aldennan Roberto Maldonado
26th Ward

Alderman Michael D. Rodriguez
22nd Ward

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