

Real Estate Transfer Tax

(amended 3/12/08)

SUBSTITUTE ORDINANCE

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

SECTION 1. Section 3-33-030 of the Municipal Code of Chicago is hereby amended by inserting the underscored language as follows:

3-33-030 Tax imposed.

A. Except as otherwise provided in this chapter, a tax is imposed upon the privilege of transferring title to, or beneficial interest in, real property located in the city, whether or not the agreement or contract providing for the transfer is entered into the city. The tax shall be at the rate of \$3.75 per \$500.00 of the transfer price, or fraction thereof, of the real property or the beneficial interest in real property.

(Omitted text is unaffected by this ordinance)

C. Except as otherwise provided in subsection (F) of this section, the primary incidence of the tax and the obligation to pay the tax are on the purchaser, grantee, assignee or other transferee; provided, however, that if the transferee is exempt from the tax solely by operation of state law, then the incidence of the tax and obligation to pay the tax shall be upon the transferor.

(Omitted text is unaffected by this ordinance)

F. Pursuant to Section 8-3-19 of the Illinois Municipal Code, 65 ILCS 5/8-3-19, as amended, a supplemental tax at the rate of \$1.50 per \$500.00 of the transfer price, or fraction thereof, shall be imposed on transfers taking place on or after April 1, 2008, for the purpose of providing financial assistance to the Chicago Transit Authority (for purposes of this section, "CTA"). This supplemental tax shall be referred to as the "CTA portion" of the Chicago Real Property Transfer Tax, and the tax imposed pursuant to subsection A of this section shall be referred to as the "City portion." The CTA portion shall be paid by the transferor; provided that if the transferor is exempt from the tax solely by operation of state or federal law, then the incidence of the CTA portion of the tax and obligation to pay the CTA portion of the tax shall be upon the purchaser, grantee, assignee or other transferee; and provided further that it shall be unlawful for the transferee to accept a deed or other instrument of transfer if the CTA portion of the tax is owed and has not been paid. If the CTA portion of the tax is owed and has not been paid at the time it is due, then the transferor and transferee shall be jointly and severally liable for the tax, plus interest and penalties, and the real property that is the subject of the transfer shall be subject to the lien provided in Section 3-33-120. Pursuant to an intergovernmental agreement to be entered into between the department of revenue (for purposes of this section, "Department") and the CTA, the Department shall administer and enforce the CTA portion of the tax. The intergovernmental agreement shall include a reasonable collection fee for the Department, which may be based on a percentage of the gross collections of the CTA portion of the tax. Except as otherwise provided herein, all terms of this chapter and any rules and regulations issued by the Department shall apply to the CTA portion of the tax in the same manner as they apply to the City portion. All amounts of the CTA portion collected, after fees for costs of collection, shall be provided to the CTA as promptly as practicable upon their receipt, as provided in the intergovernmental agreement. The Department shall file a report with the Illinois Department of Revenue each month certifying the amount paid to the CTA in the previous month from the proceeds of the supplemental tax.

(Omitted text is unaffected by this ordinance)

3-33-040 Payment of the tax.

(Omitted text is unaffected by this ordinance)

D. Neither the director of revenue nor any agent of the director shall issue tax stamps in connection with any building, as that term is defined by Section 13-10-010 of this Code, unless ~~the transferee presents~~ there is presented to the department of revenue or its agent either (1) a certificate of registration showing that the building is registered with the department of buildings pursuant to Chapter 13-10 of this Code, or (2) a waiver of registration issued by the building commissioner.

(Omitted text is unaffected by this ordinance)

3-33-050 Contingent liability of transferors.

If a real property transfer declaration is not filed with the department of revenue as provided by Section 3-33-070, then the transferor shall be liable for any unpaid tax imposed by this chapter on the transferee, together with interest and all applicable penalties, and the transferee shall be liable for any unpaid tax imposed by this chapter on the transferor, together with interest and all applicable penalties.

(Omitted text is unaffected by this ordinance)

3-33-060 Exempt transfers.

Subject to the requirement contained in subsection 3-33-070(C) of this chapter, the following transfers are exempt from the tax or the specified portion of the tax imposed by this chapter:

(Omitted text is unaffected by this ordinance)

B. Transfers involving real property acquired by or from any governmental body, or acquired by with respect to the City portion, or acquired from with respect to the CTA portion, any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or acquired by any international organization not subject to local taxes under applicable law;

(Omitted text is unaffected by this ordinance)

SECTION 2. Upon this ordinance's passage, The Department of Revenue shall file a copy of this ordinance with the Illinois Department of Revenue.

SECTION 3. This ordinance shall be in force and effect upon passage and approval.

Document No. SO2008-936

PASSED by the City Council of the City of Chicago and deposited in the office of the City Clerk of said City.

MAR 12 2008

Mary Ann Daley
City Clerk
City of Chicago

Real Estate Transfer Tax Ordinance

(Amended 2-6-08)

SUBSTITUTE
ORDINANCE

WHEREAS, the Chicago Transit Authority ("CTA") is a municipal corporation duly organized and existing under the laws of the State of Illinois; and

WHEREAS, the City of Chicago ("City") is a municipal corporation and a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois; and

WHEREAS, the CTA is critical to mobility in the City and suburbs, and is a regional transit agency; and

WHEREAS, the CTA each day provides nearly 1.6 million rides to transit customers who use the CTA to get to work, school, obtain medical care, provide care to the elderly and infirm and attend to the needs of family members; and

WHEREAS, the current funding formula for public transportation in the Chicago area was established in 1983 and is outdated; and

WHEREAS, the CTA and its union partners have negotiated the terms of a collective bargaining agreement which includes some retiree benefit concessions thereby providing for the long-term financial stability of CTA operations, retiree pension and retiree health-care; and

WHEREAS, pursuant to P.A. 94-839, effective June 6, 2006, the CTA is required to separate the funding for CTA retiree health care benefits from the funding for the retirement system by January 1, 2009 and to develop a financing plan sufficient to ensure that the retirement system is ninety percent funded by 2059; and

WHEREAS, pursuant to P.A. 95-708, effective January 18, 2008, the CTA has been provided some but not all funds necessary for operations and the financial instruments necessary to secure the fiscal stability of its retiree pension and healthcare plans; and

WHEREAS, the City recognizes that the CTA needs additional funding for the above-stated essential purposes, thus necessitating a supplemental tax; and

WHEREAS, the City Council urges the Pension Fund Trustees to set 50% diversity goals (to minority and women business enterprise programs) when obtaining Pension Fund Trust Services, inclusive of Investment Bank and Bond counsel services, and urges the CTA Board to also express support for such goals; and

WHEREAS, the City Council urges the Retiree HealthCare Fund Trustees to set 50% diversity goals (to minority and women business enterprise programs) when obtaining Pension Fund Trust Services, inclusive of Investment Bank and Bond counsel services, and urges the CTA Board to also express support for such goals; now, therefore,

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

SECTION 1. Sections 3-33-030 and 3-33-060 of the Municipal Code of Chicago are hereby amended by inserting the underscored language as follows:

3-33-030 Tax imposed.

A. Except as otherwise provided in this chapter, a tax is imposed upon the privilege of transferring title to, or beneficial interest in, real property located in the city, whether or not the agreement or contract providing for the transfer is entered into the city. The tax shall be at the rate of \$3.75 per \$500.00 of the transfer price, or fraction thereof, of the real property or the beneficial interest in real property.

(Omitted text is unaffected by this ordinance)

F. Pursuant to Section 8-3-19 of the Illinois Municipal Code, 65 ILCS 5/8-3-19, as amended, a supplemental tax at the rate of \$1.50 per \$500.00 of the transfer price, or fraction thereof, shall be imposed on transfers taking place on or after April 1, 2008, for the purpose of providing financial assistance to the Chicago Transit Authority (for purposes of this section, "CTA"). This supplemental tax shall be referred to as the "CTA portion" of the Chicago Real Property Transfer Tax, and the tax imposed pursuant to subsection A of this section shall be referred to as the "City portion." Pursuant to an intergovernmental agreement to be entered into between the department of revenue (for purposes of this section, "Department") and the CTA, the Department shall administer and enforce the CTA portion of the tax. The intergovernmental agreement shall include a reasonable collection fee for the Department, which may be based on a percentage of the gross collections of the CTA portion of the tax. Except as otherwise provided herein, all terms of this chapter and any rules and regulations issued by the Department shall apply to the CTA portion of the tax in the same manner as they apply to the City portion. All amounts of the CTA portion collected, after fees for costs of collection, shall be provided to the CTA as promptly as practicable upon their receipt, as provided in the intergovernmental agreement. The Department shall file a report with the Illinois Department of Revenue each month certifying the amount paid to the CTA in the previous month from the proceeds of the supplemental tax.

(Omitted text is unaffected by this ordinance)

3-33-060 Exempt transfers.

Subject to the requirement contained in subsection 3-33-070(C) of this chapter, the following transfers are exempt from the tax imposed by this chapter:

(Omitted text is unaffected by this ordinance)

O. Transfers in which the transferee is a person 65 years of age or older who demonstrates, by proof acceptable to the Chicago Tax Assistance Center, (1) that he will occupy the property as his principal dwelling place for at least one year following the transfer, and (2) that the transfer price is \$250,000.00 or less; provided, that this exemption applies only to the CTA portion of the tax; and provided further, that this exemption shall be administered in the form of a refund for

Exhibit A

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Tax Collection Agreement ("Agreement") is entered into as of this ____ date of 2008, by and between the City of Chicago ("City") and the Chicago Transit Authority ("CTA"). In consideration of the mutual promises contained in this Agreement, and as contemplated by Section 8-3-19 of the Illinois Municipal code, 65 ILCS 5/8-3-19, as amended, and Section 3-33-030 of the Municipal Code of Chicago ("Code"), the City and the CTA agree as follows.

WHEREAS, the CTA is a municipal corporation duly organized and existing under the laws of the State of Illinois; and

WHEREAS, the City is a municipal corporation and a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City and the CTA have each been duly authorized to enter into this Agreement;

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants here and after contained, agree as follows:

1. The foregoing recitals are expressly incorporated by reference and made part of this Agreement as though fully set forth below.

2. The City, through its Department of Revenue ("Department"), will collect the CTA Portion of the City's Real Property Transfer Tax ("Tax"), Code Chapter 3-33, as the term "CTA Portion" is defined in Code Section 3-33-030, and remit the Tax to the CTA, less: (a) a collection fee equal to 1.0 percent of the gross collections of the CTA Portion of the Tax during the month, (b) any refunds of the CTA Portion of the Tax paid during the month, and (c) the CTA's *pro rata* share of any agreed-upon collection enhancement costs incurred by the Department during the month, such as computer system enhancements. The resulting amount is referred to hereafter as the "Net Proceeds" of the CTA portion of the Tax.

3. The Department will provide the Net Proceeds to the CTA by the last business day of the month following the month of their collection by the Department, along with a summary of the gross amount of tax collected, a summary of the gross amount of the CTA portion collected, the collection fees withheld, the refunds deducted, and the agreed-upon collection enhancement costs withheld, if any. Upon request, the Department will also make available to the CTA all documentation and information that the CTA may reasonably require to determine the accuracy of the amounts collected, remitted and withheld.

4. Upon request, the Department will report to the City Council, Committee on Finance, regarding its activities under this Agreement.

5. The Department, or its agent or designee, is authorized by the CTA to take all necessary steps to administer and enforce the CTA Portion of the Tax, including but not limited to: issuing tax forms and tax stamps; conducting investigations and audits; issuing assessments for tax, interest, penalties and/or fines; processing refund claims; issuing rules and regulations; issuing information bulletins and other notices; and, in conjunction with the City's Department of Law, commencing or defending legal proceedings, at the administrative level or in court, obtaining judgments, negotiating and executing settlements, and taking all other legal actions deemed necessary by the Department to enforce and/or defend the Tax.

6. The Department and the CTA agree not to disclose to third parties any information provided to either of them by the other (or by the other party's agents, contractors or subcontractors) that is confidential under Section 3-4-80 of the Code, except as ordered by court or otherwise provided by law.

7. No official, employee or agent of either the City or the CTA shall be charged personally by the other party (or by any of the other party's agents, contractors, subcontractors or assignees) with any liability or expenses of defense or be held personally liable to them under any term or provision of this Agreement or because of the City or the CTA's execution, attempted execution or breach of this Agreement.

8. The projected CTA Portion of the City Real Estate Transfer Tax shall be reflected in the Department's line item appropriation of the City's Annual Budget.

9. In the event that the State of Illinois Auditor General requires and/or requests an audit of CTA's Portion of the City Real Estate Transfer Tax receipts, the City shall also be entitled to require and/or request such an audit of the CTA.

10. This Agreement shall continue in full force and effect until terminated by mutual written agreement of the City and CTA, pursuant to ordinance authority expressly granted by their respective governing bodies; provided, however, that pursuant to 30 ILCS 5/3-2.3, this Agreement shall be for a term expiring no earlier than the final maturity of bonds or notes that the CTA proposes to issue under Section 12c of the Metropolitan Transit Authority Act.

AGREED:

**CITY OF CHICAGO
DEPARTMENT OF REVENUE**

CHICAGO TRANSIT AUTHORITY

By:

Bea Reyna-Hickey
Director

By:

Ron Huberman
President

Exhibit B
AMENDMENTS TO THE 2008 ANNUAL APPROPRIATION ORDINANCE

FUND 0909 - Chicago Transit Authority Real Property Transfer Tax Fund

Page 1 of 2

CODE	DEPARTMENT AND ITEM	STRIKE		ADD	
		NUMBER	AMOUNT	NUMBER	AMOUNT
	Real Property Transfer Tax - Chicago Transit Authority Portion				\$ 63,000,000

Total appropriable for charges and expenditures

\$ 63,000,000

Exhibit B
 AMENDMENTS TO THE 2008 ANNUAL APPROPRIATION ORDINANCE

FUND 0809 - Chicago Transit Authority Real Property Transfer Tax Fund

Page 2 of 2

Code	DEPARTMENT AND ITEM	STRIKE		ADD	
		NUMBER	AMOUNT	NUMBER	AMOUNT
	Finance General - 99 Other Operating Expenses - 2005				
9205	For distribution of the net proceeds of the Real Property Transfer Tax - Chicago Transit Authority portion.			\$	62,370,000
9640	To reimburse the Corporate Fund for administrative costs incurred for collection of the Real Property Transfer Tax - Chicago Transit Authority portion.			\$	630,000

which the transferee desiring the refund shall apply to the Chicago Tax Assistance Center within three years following the transfer.

SECTION 2. The City of Chicago, acting through the Department of Revenue, is hereby authorized to enter into an intergovernmental agreement with the CTA, such agreement to be substantially in the form attached hereto as Exhibit A.

SECTION 3. The 2008 annual appropriation ordinance is hereby amended by adding the words and figures indicated in Exhibit B attached hereto.

SECTION 4. Upon this ordinance's passage, The Department of Revenue shall file a copy of this ordinance with the Illinois Department of Revenue.

SECTION 5. This ordinance shall be in force and effect upon passage and approval.

Document No. 502008-537

PASSED by the City Council of the City of Chicago and deposited in the office of the City Clerk of said City.

FEB -6 2008

Margaret Dale Valle
City Clerk
City of Chicago



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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 promoting the quality of life and the welfare of its citizens; and

WHEREAS, public transit is paramount to the quality of life for the people of Chicago; and

WHEREAS, the men and women of the armed forces serve tirelessly to protect the freedoms and the lives we enjoy; and

WHEREAS, as a society, we are often judged by our treatment of others; and

WHEREAS, Governor Blagojevich and the Illinois State Legislature has afforded Illinois senior citizens the right to ride our public transit system for free; and

WHEREAS, it is just to offer that same courtesy to the men and women of our nation's armed forces as a token of our appreciation for their sacrifices in protecting our freedom; and

WHEREAS, the Northern Indiana Commuter Transportation District, the New Jersey Transit System, the Regional Transportation District in Denver, Miami-Dade County Transit, and Okaloosa County Transit (Florida) all currently offer or have offered discounted or free rides to active and/or retired members of the armed forces; and

WHEREAS, pursuant to the recently enacted state legislation (HB 636), the State has granted the City the authority to raise the Real Estate Transfer Tax, in hopes of creating a revenue stream for Chicago-area transit; and

WHEREAS, it is within the purview of this municipal legislative body to promulgate regulations on the spending of the tax dollars of the residents of the City of Chicago; 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 3-33 of the Municipal Code of Chicago is hereby amended by inserting the language underscored as follows:

3-33-160 Requirements for uses of funds by any public transit authority

(a) Any public transit authority that receives funds from Chicago Real Property Transfer Tax, as defined in this Chapter, shall be required to offer rides at no expense to:

(i) any active military personnel in uniform and/ or displaying appropriate identification; and

(ii) any veteran of the armed forces who either currently receives military disability payments or has ever received military disability payments from the federal or state government;

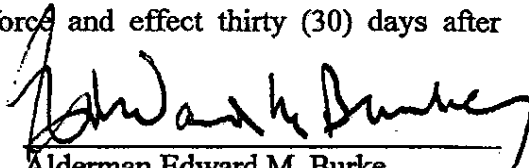
(b) It shall be unlawful for any individual to falsely impersonate any military personnel, active or retired.

(c) Violation--Penalty.

Any public transit system who fails to provide free rides, pursuant to this Section, shall be ineligible for the funds collected pursuant to this Chapter.

Any individual who falsely impersonates any military personnel, active or retired, shall be subject to a \$250 fine, per offense.

SECTION 3. This ordinance shall be in full force and effect thirty (30) days after passage and publication.



Alderman Edward M. Burke
14th Ward


Alderman James A. Balcer
11th Ward

Document No. 02008 538

PASSED by the City Council of the City of
Chicago and deposited in the office of the
City Clerk of said City.
FEB 1 - 6 2008
Myra L. Delle
City Clerk
City of Chicago