



City of Chicago



O2021-2134

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 5/26/2021

Sponsor(s): Martin (47)
La Spata (1)

Type: Ordinance

Title: Amendment of Municipal Code Section 11-12-530 regarding certification of payment for outstanding water or sewer charges

Committee(s) Assignment: Committee on Housing and Real Estate

ORDINANCE

WHEREAS, there is a substantial racial wealth gap in the United States and in Chicago, with White households having ten times the net worth as Black households, and similar imbalance with respect to Brown households; and

WHEREAS, one of the main drivers of the wealth gap in Chicago is the lower rate of homeownership and home equity among minority families, due heavily to historic discrimination through red-lining, restrictive covenants, unfair implementation of the GI Bill, contract sales, disinvestment, and other causes; and

WHEREAS, promoting homeownership is one of the factors that would reduce the racial wealth gap; and

WHEREAS, promoting homeownership is also an important factor in strengthening Chicago's neighborhoods; and

WHEREAS, Section 11-12-530 of the Municipal Code of the City of Chicago currently requires full payment of any outstanding water bill prior to recording a deed upon a transfer of property by sale or otherwise; and

WHEREAS, many transfers of title to a home are not the result of a typical sale, but are instead the result of court-ordered dispositions in which the new owner is not paying or receiving any money and may not have the resources to immediately pay a water bill in full. Moreover, most such transactions are already exempt from the real estate transfer tax; and

WHEREAS, because of section 11-12-530, real estate title transferees who cannot pay the full water bill are unable to have their deed recorded, and thus unable to assume full home ownership or accumulate or use home equity; and

WHEREAS, the operation of the current ordinance to block full home ownership disproportionately affects those living with lower income and people of color; and

WHEREAS, the current ordinance blocks the increase of home ownership in Chicago communities and prevents progress towards reducing the racial wealth gap; and

WHEREAS, an amended ordinance that removes the requirement to pay the water bill in full prior to being able to record a deed when transfers are exempt from transfer tax would help those least able to fully pay the property's water bill to record title to their homes; and

WHEREAS, removing the requirement to pay the water bill in full prior to being able to record a deed for those exempt from transfer tax does not prevent the City from using all other means at its disposal to collect the water bill; now, therefore,

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

SECTION 1. Section 11-12-530 of the Municipal Code of the City of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

Chapter 11-12-530 Certification of Payment.

Unless otherwise provided by law or rule, a full payment certificate is required in all transfers of real property except ~~whether such transfers~~ that are ~~subject to or~~ exempt from the real property transfer tax pursuant to Chapter 3-33 of this Code. In order to obtain a full payment certificate, an application with an application fee of \$50.00 shall be made to the comptroller. ~~Provided, however, if the property is exempt from the real property transfer tax, the full payment certificate application fee shall not be charged.~~ If a full payment certificate was required and such certificate was not obtained when the real property was transferred, both the transferor and the transferee will be jointly and severally liable for any outstanding water or sewer charges and penalties that have accrued to the water account.

SECTION 2. This ordinance shall be in full force and effect upon its passage and approval.



Matthew J. Martin
Alderman, 47th Ward



CITY OF CHICAGO

OFFICE OF THE CITY CLERK
ANNA M. VALENCIA

Chicago City Council Co-Sponsor Form

Document No.: 02021-2134

Subject: Amendment of Municipal Code Section 11-12-530 regarding certification of payment for outstanding water or sewer charges

Adding Co-Sponsor(s)

Please ADD Co-Sponsor(s) Shown Below – (Principal Sponsor’s Consent Required)

Alderman Daniel La Spata *Daniel La Spata* (1 Ward)
(Signature)

Alderman _____ (____) Ward
(Signature)

Date Filed: 6/1/2021 Principal Sponsor: *[Signature]*
(Signature)

Removing Co-Sponsor(s)

Please REMOVE Co-Sponsor(s) Below – (Principal Sponsor’s Consent NOT Required)

Alderman _____ (____) Ward
(Signature)

Alderman _____ (____) Ward
(Signature)

Date Filed: _____

- Final Copies To Be Filed With:
- Chairman of Committee to which legislation was referred
 - City Clerk