

ORDINANCE

WHEREAS, The City of Chicago continues to face challenges related to the consumption of tobacco products including significant public health impacts which include; increased rates of preventable diseases, disability and premature mortality; and,

WHEREAS, The overwhelming statistical evidence shows that increased prices on harmful substances like tobacco drives down demand for such products; and,

WHEREAS, The City of Chicago has an interest in aligning its tax code to promote the best practices for public health and deterring the use of tobacco products; and,

WHEREAS, The City Council is committed to offsetting funding cuts that are detrimental to the public health of Chicagoans and related to the health effects of the sale of tobacco; and,

WHEREAS, This necessitates the creation of a dedicated fund for the Chicago Department of Public Health to mitigate these public health risks; now, therefore,

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

Section 1: Chapter 3-42 of the Municipal Code of the City of Chicago is hereby amended by deleting the language struck through inserting the language underscored, as follows:

3-42-020 Tax Imposed

- (a) A tax at the rate of ~~\$.059 (fifty nine mills)~~ 0.118 (one hundred and eighteen mills) per cigarette is hereby imposed upon all cigarettes possessed for sale and upon the use of all cigarettes within the City of Chicago, the ultimate incidence of and liability for payment of said tax to be borne by the consumer of said cigarettes. The tax herein levied shall be in addition to any and all other taxes.

(Omitted text is unaffected by this ordinance)

3-42-120 Proceeds to be paid into city treasury

All proceeds resulting from the imposition of the tax under this chapter, including penalties, shall be paid into the treasury of the City of Chicago and shall be credited to and deposited in the corporate fund of the city with 50% (fifty percent) of the net funds generated by this chapter being deposited into the Tobacco Mitigation Fund, except as may be otherwise provided pursuant to intergovernmental agreement with regard to penalties assessed for violations of Section 3-42-025.

Section 2: Chapter 3-47 of the Municipal Code of the City of Chicago is hereby amended by deleting the language struck through inserting the language underscored, as follows:

3-47-030 Tax Imposed

A tax is hereby imposed on the retail sale of liquid nicotine products in the City. This tax shall be paid by the purchaser, and nothing in this chapter shall be construed to impose a tax on the occupation of retail or wholesale liquid nicotine product dealer. The tax shall be imposed at a rate of ~~\$1.50~~ 3.00 per product unit, plus an additional ~~\$1.20~~ 2.40 per fluid milliliter of consumable liquid, gel, salt-based nicotine liquid, or other solution contained in the product.

(Omitted text is unaffected by this ordinance)

3-47-150 Deposit of funds

All proceeds resulting from the imposition of this tax, including interest and penalties, shall be deposited in the City's corporate fund with 50% (fifty percent) of the net funds generated by this chapter being deposited into the Tobacco Mitigation Fund.

Section 3: Chapter 3-49 of the Municipal Code of the City of Chicago is hereby amended by deleting the language struck through inserting the language underscored, as follows:

3-49-030 Tax Imposed

(a) A tax at the rates specified in subsection (b) of this section is hereby imposed upon the purchase or use of all OTP within the City.

(b) The rate of the tax shall be:

- (1) for smoking tobacco, \$1.80 per ounce;
- (2) for smokeless tobacco, \$1.80 per ounce;
- (3) for pipe tobacco, ~~\$0.60~~ 1.20 per ounce;
- (4) for little cigars, ~~\$0.20~~ 0.40 per cigar; and
- (5) for large cigars, ~~\$0.20~~ 0.40 per cigar.

(c) The tax hereby imposed shall be in addition to any and all other taxes.

(Omitted text is unaffected by this ordinance)

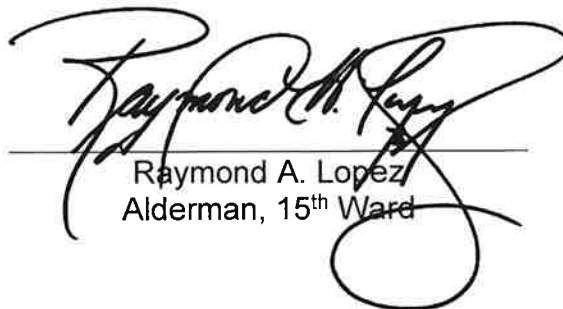
3-49-140 Deposit of funds

All proceeds resulting from the imposition of this tax, including interest and penalties, shall be deposited in the City's corporate fund, and a portion shall be used to fund: (1) an orientation program for incoming ninth graders and at-risk incoming eighth graders in the Chicago Public Schools, including smoking and health education, and tobacco cessation programs; and (2) enhanced police peer support services in the City, including, but not limited to, health counseling, mental health screening, and suicide prevention hiring additional police officers, and the remaining 50% (fifty percent) of the net funds generated by this chapter being deposited into the Tobacco Mitigation Fund.

Section 4: The Commissioner of the Department of Public Health is hereby authorized establish the Tobacco Mitigation Fund, promulgate rules for the expenditure therein, and report back quarterly to the Committee on Health and Human Services.

Section 5: The 2026 Appropriation Recommendation is amended as follows in Exhibit A.

Section 6: This ordinance shall be in full effect 120 days after passage and publication.



Raymond A. Lopez
Alderman, 15th Ward