

PROPOSED SUBSTITUTE FOR ITEM #19-4589

(Finance Committee Meeting September 4, 2019)

**~~A PROPOSED ORDINANCE TO AMEND~~ AN AMENDMENT TO THE COMMERCIAL
PAYOR ENHANCED PROCESSING FEE ORDINANCE**

**Sponsored by: JOHN. P DALEY, BRIDGET GAINER, PETER N. SILVESTRI, DEBORAH
SIMS, LARRY SUFFREDIN, DONNA MILLER and JEFFREY R. TOBOLSKI, Cook County
Board of Commissioners**

THE COMMERCIAL PAYOR ENHANCED PAYMENT PROCESSING FEE

WHEREAS, Cook County (the "County") is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Illinois Constitution, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the efficient and effective operation of the Cook County Treasurer's Office ("CCTO") pertains to the County's government and affairs; and

WHEREAS, a core statutory function of the ~~Cook County Treasurer's Office ("CCTO")~~CCTO is to post payments twice annually to approximately 1.8 million Property Index Numbers, and to maintain auditable business records with regard to such payments; and

WHEREAS, mortgage lenders, as hereinafter defined, continue to make erroneous payments, duplicate payments, and overpayments to the CCTO, causing the CCTO to expend large sums of taxpayers' dollars and other County resources to correct such erroneous payments, duplicate payments, and overpayments; and

WHEREAS, the continued creation, enhancement, redesign, and upgrade of the existing core information technology systems would yield substantial additional operational efficiencies, cost reductions, and improved functionalities and services, including but not limited to:

(1) reducing erroneous payments, duplicate payments, and overpayments made on Property Index Numbers, by mortgage lenders, as hereinafter defined, with the goal of eliminating such erroneous payments, duplicate payments, and overpayments; and

(2) enabling the electronic exchange of historical real property tax payment, assessment, exemption, tax sale, and bankruptcy information, as well as the identification of properties subject to the Illinois Senior Citizens Real Estate Tax Deferral Act, to mortgage lenders; and

(3) enabling the electronic exchange of duplicate payment, overpayment, overassessment, Certificate of Error, Property Tax Appeal Board, and court-ordered refund information to mortgage lenders; and

(4) streamlining the refund process for mortgage lenders via the creation of an electronic refund application submission system; and

(5) facilitating the electronic payment of omitted assessment, arrearage, and special assessment property tax bills by mortgage lenders; and

(6) enabling an electronic platform for payment by mortgage lenders of property tax bills with Certificate of Error adjustments; and

WHEREAS, despite increased costs and the need to automate records, enhance online payment channels, and facilitate the electronic communication of real property tax payment and refund information, internal fees for automation purposes have not been increased since 2013 and additional funding is needed to defray costs of automation;

NOW, THEREFORE, BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 2 Administration, Article IV Officers and Employees, Division 4 Treasurer, Subdivision II Fees, Section 2-257 of the Cook County Code is hereby amended as follows:

Sec. 2-257. Fee for ~~Commercial Payor~~ Mortgage Lender Enhanced Payment Processing.

(a) *Definition.* In this section, “~~commercial payor~~” “mortgage lender” means:

~~1.~~ Any institution, association, partnership, corporation, or person that is engaged in the business of making loans of money, or that regularly makes loans of money, or that services loans, including the collections of loans directly secured by mortgages, trust deeds in the nature of mortgages or other instruments in the nature of mortgages which constitute a lien upon property ~~is or~~

~~2. — A person or entity that pays, either directly or through an agent, property taxes upon ten or more Property Index Numbers for any tax year.~~

(b) *Fee.* The County Collector shall charge and collect a fee of ~~\$1.00~~ \$2.00 per Property Index Number and installment from ~~commercial payors~~ mortgage lenders for payments tendered through any electronic payment facility offered by the County Collector.

(c) *Tax sale automation fund.* The County Collector shall deposit all fees collected under this section into the Tax Sale Automation Fund, as established in Section 74-40.

~~(d) Exclusions. This Ordinance shall not apply to any payment made by any bankruptcy trustee or any federal, state, or local governmental entity.~~

BE IT FURTHER ORDAINED, by the Cook County Board of Commissioners, that Chapter 32 Fees, Section 32-1 of the Cook County Code is hereby amended as follows:

Sec. 32-1. Fee schedule.

The fees or charges provided for or required by the below listed sections shall be as shown below: *Code Section*

| | <i>Description</i> | <i>Fees, Rates, Charges (in dollars)</i> |
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CHAPTER 2, Administration

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| 2-257 | Mortgage Lender Enhanced Payment Processing | 1.00 2.00 |
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Effective Date: This Ordinance shall take effect immediately upon its passage and approval.