



BOARD OF COMMISSIONERS OF COOK COUNTY

Cook County Building, Board Room, 118 North Clark Street, Chicago, Illinois

JOURNAL OF PROCEEDINGS

Special Meeting to consider action of the Finance Committee Meeting of 11/10/2016

Thursday, November 10, 2016, 11:00 AM

LUIS ARROYO, JR.
RICHARD R. BOYKIN
JERRY BUTLER
JOHN P. DALEY
JOHN A. FRITCHEY
BRIDGET GAINER
JESUS G. GARCIA
GREGG GOSLIN
EDWARD M. MOODY

STANLEY MOORE
SEAN M. MORRISON
TIMOTHY O. SCHNEIDER
PETER N. SILVESTRI
DEBORAH SIMS
ROBERT B. STEELE
LARRY SUFFREDIN
JEFFREY R. TOBOLSKI

**DAVID ORR
COUNTY CLERK**

Board met pursuant to the following call:

November 7, 2016

The Honorable David Orr
Cook County Clerk
69 West Washington Street
Fifth Floor
Chicago, Illinois 60602

Re: SPECIAL MEETING NOTICE for November 10, 2016 at 11:00 a.m. in the Cook County Board Room, 118 North Clark Street, Room 569, Chicago, Illinois

Dear Clerk Orr:

Pursuant to the authority vested in me, I hereby call a Special Meeting of the Board of Commissioners of Cook County to be convened on Thursday, November 10, 2016, at the hour of 11:00 a.m. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

At said meeting, the following Committee Items Requiring Board Action will be considered:

Committee Items Requiring Board Action

- 16-5931 Proposed Ordinance - Sweetened Beverage Tax
- 16-5932 Proposed Resolution - Fiscal Year 2017 Revenue Initiative and Modification of Future Cook County Home Rule and Property Taxes
- 16-5739 Proposed Ordinance Amendment - Cook County Tax Predictability Amendment

Please issue the Notice of this Special Meeting as required by law.

Very truly yours,
Toni Preckwinkle, President

COPY OF LETTER SENT TO ALL COMMISSIONERS

November 7, 2016

President and Members
Cook County Board of Commissioners

Ladies and Gentlemen:

Toni Preckwinkle, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Thursday, November 10, 2016 at the hour of 11:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

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Very truly yours,

David Orr
County Clerk

* * * * *

The following Legal Notice appeared in the Chicago Tribune Newspaper, Wednesday November 9, 2016 and Thursday, November 10, 2016.

LEGAL NOTICE

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Very truly yours,

DAVID ORR, Cook County Clerk and
Clerk of the Board of the Commissioners of Cook County, Illinois

OFFICIAL RECORD

President Preckwinkle in the Chair.

CALL TO ORDER

At 11:00 A.M., being the hour appointed for the meeting, the President called the Board to order.

QUORUM

County Clerk David Orr called the roll of members and there was found to be a quorum present.

ROLL CALL

Present: Commissioners Arroyo, Boykin, Butler, Daley, Fritchey, Gainer, García, Goslin, Moody, Moore, Morrison, Schneider, Silvestri, Sims, Suffredin and Tobolski (16)

Absent: Commissioner Steele (1)

PUBLIC TESTIMONY

Pursuant to Cook County Code of Ordinances, public testimony will be permitted at regular and special meetings of the Board. Duly authorized public speakers shall be called upon at this time to deliver testimony germane to a specific item(s) on the meeting agenda, and the testimony must not exceed three (3) minutes. The names of duly authorized speakers shall be published in the Post Board Action Agenda and Journal of Proceedings as prepared by the Clerk of the Board.

1. George Blakemore, Concerned Citizen

COMMITTEE ITEMS REQUIRING BOARD ACTION

**FINANCE COMMITTEE
MEETING OF NOVEMBER 10, 2016**

**16-5931
ORDINANCE**

Sponsored by

**THE HONORABLE TONI PRECKWINKLE, PRESIDENT, JOHN P. DALEY,
STANLEY MOORE AND LARRY SUFFREDIN, COUNTY COMMISSIONERS**

SWEETENED BEVERAGE TAX

WHEREAS, the County of Cook is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Illinois Constitution; and

WHEREAS, the Illinois Constitution provides that home rule units may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt; and

WHEREAS, Illinois law (55 ILCS 5/5-1009) permits home rule units to impose "taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property"; and

WHEREAS, the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and the World Health Organization, based on a summary of the available evidence linking intake of added sugar and sugar sweetened beverages to adverse health outcomes including obesity and diabetes, have recommended that Americans consume no more than 10% of their daily calories in the form of added sugar; and

WHEREAS, numerous organizations and agencies, including the American Heart Association, American Diabetes Association, American Academy of Pediatrics, Institute of Medicine of the National Academies, American Medical Association, and the Centers for Disease Control, recommend limiting intake of added sugar and sugar sweetened beverages to improve health; and

WHEREAS, studies show that sugary beverages flood the liver with high amounts of sugar in a short amount of time and that this "sugar rush" over time leads to fat deposits and metabolic disturbances that cause diabetes, cardiovascular disease, and other serious health problems; and

WHEREAS, diseases connected to sugary beverages disproportionately impact minorities and low-income communities; and

WHEREAS, two (2) out of three (3) adults and one (1) out of three (3) children in the United States are overweight or obese and on any given day, half the people in the U.S. consume sugary drinks, with one (1) in four (4) consuming at least 200 calories from such drinks and 5% drinking at least 567 calories [equivalent to four (4) cans of soda]; and

WHEREAS, the University of Connecticut RUDD Center for Food Policy & Obesity found that residents of the City of Chicago consume approximately 140 million gallons of sweetened beverages per year; applying such analysis to the County, Cook County residents are estimated to consume approximately 269 million gallons of sweetened beverages per year; and

WHEREAS, sodas, sports drinks, coffees and other sugar sweetened beverages packed with calories constitute the largest source of added sugars in the diets of American children and consuming only one (1) sugar sweetened beverage per day correlates positively with weight gain for children and adolescents; and

WHEREAS, a 2008 study found drinking more than two (2) servings of diet soda (a beverage containing non-caloric sweeteners) a day doubled the risk for kidney decline in women; and

WHEREAS, the Multiethnic Study of Atherosclerosis found that daily consumption of beverages containing non-caloric sweeteners was associated with 36% greater risk for metabolic syndrome and 67% increased risk for type 2 diabetes; and

WHEREAS, a 2012 study found that consumption of diet soft drinks was associated with increased risk for vascular events, including stroke;

WHEREAS, in the San Antonio Heart Study, participants who drank more than 21 beverages containing non-caloric sweetener per week were twice as likely to become overweight or obese as people who did not drink such beverages; and

WHEREAS, the World Health Organization recently stated that implementing taxes on sugar sweetened beverages can lower consumption and reduce obesity, type 2 diabetes and tooth decay; and

WHEREAS, in an effort to promote public health, including lowered obesity rates, the Board of Commissioners has determined that a County tax not based upon the selling or purchase price or gross receipts from the use, sale or purchase thereof should be imposed on the sale of sweetened beverages in Cook County, as provided herein.

NOW, THEREFORE, BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74 Taxation, Article XXII Sweetened Beverage Tax, Sections 74-850 through 74-859 of the Cook County Code is hereby enacted as follows:

ARTICLE XXII. - SWEETENED BEVERAGE TAX

Sec. 74-850. - Short title.

This Article shall be known and may be cited as the Cook County Sweetened Beverage Tax Ordinance.

Sec. 74-851. - Definitions.

The following words, terms and phrases, when used in this Article, shall have the meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

Beverage for medical use means (1) a beverage suitable for human consumption and manufactured for use as an oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or for use as an oral rehydration electrolyte solution formulated to prevent or treat dehydration due to illness; and (2) medically necessary foods, as defined in the federal Orphan Drug Act, 21 U.S.C. 360ee(b)(3), as amended. Beverage for medical use shall not include drinks commonly referred to as "sports drinks" or any other common names that are derivations thereof.

Beverage dispensing machine means a fountain drink machine, a device that combines syrup or syrup concentrate and carbon dioxide with chilled and purified water, or other refrigerated beverage machine used to serve non-carbonated or carbonated drinks.

Bottle means any sealed container regardless of size or shape, including, but not limited to, those made of glass, metal, paper, plastic, or any other material or combination of materials, including cans.

Bottled sweetened beverage means any sweetened beverage contained in a bottle that is ready for consumption without further processing such as, but not limited to, dilution or carbonation.

Caloric sweetener means any caloric substance used as an ingredient of a beverage, syrup, or powder that includes sucrose, fructose, glucose and/or other sugars, suitable for human consumption which adds calories to the diet of a person who consumes that substance.

County means the County of Cook.

Department means the Department of Revenue.

Distributor means any person, including manufacturers and wholesale dealers, who receives, stores, manufactures, bottles or distributes bottled sweetened beverages, syrup or powder, for sale to retailers doing business in Cook County, whether or not that person also sells such products to purchasers.

Milk means natural liquid milk regardless of animal or plant source or butterfat content, natural milk concentrate, whether or not reconstituted, regardless of animal or plant source or butterfat content, or dehydrated natural milk, whether or not reconstituted and regardless of animal or plant source or butterfat content.

Natural fruit juice means the original liquid resulting from the pressing of fruits or the liquid resulting from the dilution of dehydrated natural fruit juice.

Natural vegetable juice means the original liquid resulting from the pressing of vegetables or the liquid resulting from the dilution of dehydrated natural vegetable juice.

Non-alcoholic beverage means any beverage that contains less than one-half of one percent alcohol per volume.

Non-caloric sweetener means any non-caloric substance used as an ingredient of a beverage, syrup or powder that includes aspartame, saccharin, stevia and/or sucralose, suitable for human consumption which does not add calories to the diet of a person who consumes that substance.

Person means any individual, corporation, Limited Liability Corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity.

Powder means any solid mixture, containing any caloric sweetener or non-caloric sweetener as an ingredient, intended to be used in making, mixing or compounding a sweetened beverage by combining the powder with one or more other ingredients by hand or in a beverage dispensing machine.

Purchaser means any person who purchases in a retail sale.

Retail sale means any sale to a person for use or consumption, and not for resale.

Retailer means any person engaged in the business of selling sweetened beverages at retail in the County.

Sale, resale and selling means any transfer of ownership or possession or both, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever for valuable consideration.

Sweetened beverage means any non-alcoholic beverage, carbonated or non-carbonated, which is intended for human consumption and contains any caloric sweetener or non-caloric sweetener, and is available for sale in a bottle or produced for sale ~~from using~~ through the use of syrup and/or powder. Sweetened beverage does not include (1) beverages consisting of 100% natural fruit or vegetable juice; (2) beverages in which milk, or soy, rice, or similar milk substitute, makes up more than 50% of the beverage or is the first listed ingredient on the label of the beverage; (3) beverages to which a purchaser can add, or can request that a retailer add, caloric sweetener or non-caloric sweetener; (4) infant formula; (5) beverages for medical use; (6) any liquid sold as a therapeutic nutritional meal replacement or for use for weight reduction as a meal replacement; or (7) any syrup or powder that the purchaser himself or herself combines with other ingredients to create a beverage.

Syrup means a liquid mixture, containing any caloric sweetener or non-caloric sweetener as an ingredient, intended to be used, or actually used, in making, mixing or compounding a sweetened beverage by combining the syrup with one or more other ingredients using a beverage dispensing machine.

Sec. 74-852. - Tax imposed and liability for payment.

(a) Effective July 1, 2017, a tax at the rate of \$0.01 per ounce is hereby imposed on the retail sale of all sweetened beverages in Cook County.

(b) The ultimate incidence of and liability for payment of the tax levied in this Article is to be borne by the purchaser of the sweetened beverage. Nothing in this Article shall be construed to impose a tax upon the occupation of distributors or retailers.

(c) It shall be deemed a violation of this Article for any distributor or retailer to fail to include the tax imposed in this Article in the sale price of the sweetened beverage, syrup and/or powder or to otherwise absorb the tax, unless otherwise required by law. The tax levied in this Article shall be in addition to any other taxes.

(d) Except as provisions are made in this Article for the collection of the tax levied in this Article upon the sweetened beverages, syrup and/or powder in the possession of retailers on the effective date of the ordinance from which this Article is derived, the tax levied in this Article shall be collected by each distributor when it sells sweetened beverages, syrup and/or powder to a retailer or a purchaser in Cook County.

(e) Any distributor of bottled sweetened beverages and any distributor of syrup and/or powder used to produce a sweetened beverage shall collect the tax levied by this Article from any retailer to whom the sale of bottled sweetened beverages or syrup and/or powder used to produce a sweetened beverage is made and shall remit the tax to the Department.

- (1) The tax on bottled sweetened beverages shall be based upon the number of whole ounces stated on the sealed container.
- (2) For purposes of the distributor's collection of the tax from its sale to a retailer of syrup and/or powder used to produce a sweetened beverage, the tax shall be \$.01 per ounce of sweetened beverage produced from that syrup or powder. For such sales, the tax shall be calculated based upon the largest volume, in whole ounces, of sweetened beverage that could be produced from the syrup or powder, with a reduction of five percent of the calculated tax to account for spillage and product preparation at the retail level. The largest volume shall be determined based on the manufacturer's instructions.
- (3) Any retailer shall in turn then collect the tax from the purchaser of sweetened beverage.
- (4) Should a distributor sell sweetened beverages directly to a purchaser, the distributor shall collect the tax from that purchaser.
- (5) The tax shall be paid to the person required to collect it as trustee for and on behalf of the County.

(f) On or before August 20, 2017, every retailer of sweetened beverages doing business in the County shall file with the Department, on forms prescribed by it, a sworn tax return reporting the inventory of sweetened beverages, as well as the inventory of syrup and/or powder used to produce sweetened beverage, on which the sweetened beverage tax was not previously paid, in its possession or control on June 30, 2017. With said tax return, the retailer shall remit to the Cook County Collector the taxes due with respect to all sweetened beverages and syrup and/or powder used to produce sweetened beverage on which the sweetened beverage tax was not previously paid that was in the retailers' possession on June 30, 2017. The retailer shall in turn collect the tax from its purchasers. For the purpose of determining the amount of tax due on the amount of product in a retailer's possession or control on June 30, 2017, the following shall apply:

- (1) The tax on bottled sweetened beverages shall be based upon the number of whole ounces stated on the sealed container.

- (2) The tax for syrup and/or powder used to produce a sweetened beverage shall be \$0.01 per ounce of sweetened beverage produced from that syrup or powder, calculated based upon the largest volume, in whole ounces, of sweetened beverage that could be produced from the syrup or powder, with a reduction of two five percent of the calculated tax to account for spillage and product preparation at the retail level. The largest volume shall be determined based on the manufacturer's instructions.

Sec. 74-853. - Registration and remittance.

(a) Any distributor who engages in the business of selling sweetened beverages, syrup and/or powder in the County must register with the Department, in accordance with procedures prescribed by the Department, within 30 days after the effective date of this ordinance, and after such 30 days has passed, prior to engaging in the business of selling sweetened beverages, syrup and/or powder for resale, use or consumption in the County. Failure to register pursuant to this section shall be considered a violation of this Article.

(b) Distributors shall file each month with the Department a tax return reflecting sales of sweetened beverages, syrup and/or powder, in such form as prescribed and furnished by the Department, on or before the 20th day of the month following the month for which the return is due. Each tax return shall be accompanied by a remittance of the appropriate amount of tax applicable to the sales reported. The remittance shall be made payable to the County Collector. Registered distributors must file a monthly return even if no tax is due. Failure to file a monthly return and remit applicable tax shall be considered a violation of this Article.

(c) Any retailer who acquires sweetened beverages, syrup and/or powder from an unregistered distributor or on which tax was not previously paid, must file a tax return, in such form as prescribed and furnished by the Department, on or before the 20th day of the month following the month in which the sweetened beverages, syrup and/or powder were acquired. Each return must be accompanied by a remittance of the appropriate amount of applicable tax. The remittance shall be made payable to the County Collector. Failure of a retailer to file a return and remit applicable tax shall be considered a violation of this Article.

(d) The Department, in its discretion, may require that registration be completed, tax returns be submitted, and payments be made electronically.

Sec. 74-854. - Tax-free sales.

(a) Registered distributors shall not pay or collect a tax with respect to sweetened beverages, syrup and/or powder which are otherwise subject to the tax when the sweetened beverages, syrup and/or powder are being sold to the following:

- (1) Another registered distributor; or

- (2) An unregistered distributor, a retailer or a purchaser when the selling distributor, or its agent, delivers the sweetened beverages, syrup and/or powder to a location outside of Cook County.

(b) The tax imposed by this Article shall not apply to purchases of sweetened beverages by a passenger on an interstate carrier; nor shall this tax apply to purchases that are specifically exempt from taxation under Federal law. It shall be presumed that all sales of sweetened beverages from distributors or retailers are subject to the tax under this Article until the contrary is established.

Sec. 74-855. - Tax in addition to other taxes.

The tax imposed by this Article is in addition to all other taxes imposed by the Government of the United States, the State, or by any unit of local government.

Sec. 74-856. - Books and records.

(a) Every distributor and every retailer shall keep accurate books and records showing all transactions that gave rise, or may have given rise, to any tax liability, exemption or defense to liability.

(b) Books and records and other documents shall be kept, by distributors and retailers, for the taxable time period as listed in the statute of limitations section of the Cook County Uniform Penalties, Interest and Procedures Ordinance, Chapter 34, Article III, Sec. 34-60 et seq. All books and records shall be kept in the English language and, at all times during business hours, shall be subject to and available for inspection or copying by the Department. Failure to keep books and records pursuant to this section shall be considered a violation of this Article.

Sec. 74-857. - Violation; penalties.

Any person determined to have violated this Article, as amended, by failing to file a return and/or failing to remit taxes shall be subject to the penalties listed in the Cook County Uniform Penalties, Interest and Procedures Ordinance, Chapter 34, Article III. Any person determined to have violated any other provisions of this Article shall be subject to a fine of \$1,000.00 for the first offense, and a fine of \$2,000.00 for the second and each subsequent offense. Separate and distinct offenses shall be regarded as committed each day upon which said person shall continue any such violation, or permit any such violation to exist after notification thereof. It shall be deemed a violation of this Article for any person to knowingly furnish false or inaccurate information to the Department. Criminal prosecution pursuant to this Article shall in no way bar the right of the County to institute civil proceedings to recover delinquent taxes, interest and penalty due and owing as well as costs incurred for such proceeding.

Sec. 74-858. - Application of uniform penalties, interest and procedures ordinance.

Whenever not inconsistent with the provisions of this Article or whenever this Article is silent, the provisions of the Cook County Uniform Penalties, Interest and Procedures Ordinance, Chapter 34, Article III shall apply and supplement this Article.

Sec. 74-859. - Rulemaking.

The Department shall prescribe reasonable rules, definitions, and regulations necessary to carry out the duties imposed upon it by this Article. Such rules, definitions, and regulations shall take into account existing practices of sweetened beverage distributors and retailers for collection and remittance of the tax herein levied. Such rules shall include but not be limited to tax deductions/credits for breakage, spoilage, spillage, sweetened beverage expiration, sweetened beverage destruction and tax free sales.

Effective date: This Ordinance shall be in effect beginning March 1, 2017.

Approved and adopted this 10th of November 2016.

TONI PRECKWINKLE, President
Cook County Board of Commissioners

Attest: DAVID ORR, County Clerk

**ROLL CALL ON THE MOTION TO APPROVE
16-5931 - SWEETENED BEVERAGE TAX**

A motion was made by Commissioner Daley, seconded by Commissioner Sims, that the Proposed Ordinance be approved as amended. Commissioner Daley called for a Roll Call, the vote of yeas and nays being as follows:

Yeas: Commissioners Arroyo, Butler, Daley, Garcia, Moody, Moore, Sims and Suffredin (8).

Nays: Commissioners Boykin, Fritchey, Gainer, Goslin, Morrison, Schneider, Silvestri and Tobolski (8).

Absent: Commissioner Steele (1).

The motion to approve FAILED.

In accordance with Cook County Code Section 2-105(p)(4), President Preckwinkle casted a vote on the question and the Proposed Ordinance was approved as amended. The motion carried by the following vote:

Yeas: President Preckwinkle, Commissioners Arroyo, Butler, Daley, Garcia, Moody, Moore, Sims and Suffredin (9).

Nays: Commissioners Boykin, Fritchey, Gainer, Goslin, Morrison, Schneider, Silvestri and Tobolski (8).

Absent: Commissioner Steele (1).

The motion to approve as amended CARRIED.

**ROLL CALL ON THE MOTION TO RECONSIDER
16-5931 - SWEETENED BEVERAGE TAX**

Having voted on the prevailing side, Commissioner Garcia called for a roll call to reconsider the Proposed Ordinance, the vote of yeas and nays being as follows:

Yeas: Commissioners Boykin, Fritchey, Gainer, Goslin, Morrison, Schneider, Silvestri and Tobolski (8).

Nays: President Preckwinkle, Commissioners Arroyo, Butler, Daley, Garcia, Moody, Moore, Sims and Suffredin (9).

Absent: Commissioner Steele (1).

The motion to reconsider FAILED.

**16-5932
RESOLUTION**

Sponsored by

**THE HONORABLE TONI PRECKWINKLE, PRESIDENT, JOHN P. DALEY,
STANLEY MOORE, LARRY SUFFREDIN, LUIS ARROYO JR., RICHARD R. BOYKIN,
JERRY BUTLER, JOHN A. FRITCHEY, BRIDGET GAINER, JESÚS G. GARCÍA,
GREGG GOSLIN, EDWARD M. MOODY, SEAN M. MORRISON, TIMOTHY O. SCHNEIDER,
PETER N. SILVESTRI, DEBORAH SIMS, ROBERT B. STEELE AND
JEFFREY R. TOBOLSKI, COUNTY COMMISSIONERS**

**FISCAL YEAR 2017 REVENUE INITIATIVE AND MODIFICATION OF FUTURE
COOK COUNTY HOME RULE AND PROPERTY TAXES**

WHEREAS, since FY 2011, the overall full time employee positions (“FTE”) have decreased by over 2,000 FTE’s, with the General, Health and Grant Funds realizing a 10% reduction since FY 2011; and

WHEREAS, through the passage of the FY 2016 Annual Appropriation Bill, Cook County Board President, Toni Preckwinkle ("President") and the Cook County Board of Commissioners took significant steps to promote the long-term sustainability of County government; and

WHEREAS, given the fiscal challenges facing the County in FY 2016, additional expenditure reductions and new sources of revenue were implemented in order to begin to address the County’s long-term needs in a responsible manner so as not to unduly burden the children and grandchildren of current taxpayers with extensive debt and unfunded pension liabilities at the County Employees’ and Officers’ Annuity and Benefit Fund of Cook County; and

WHEREAS, despite efforts to continue to stream line services and hold the line on revenue increases in FY 2017, the County's Preliminary Budget forecast released in June projected a budget shortfall of \$174.3 million for FY 2017; and

WHEREAS, the fact remains that 87% of the County's operating budget goes to Public Health and Public Safety; revenues fail to keep pace with the rate of inflation; and technology, pharmaceutical and other costs have historically exceeded the rate of inflation; and

WHEREAS, in order to continue to build a fiscally sound foundation with long term financial sustainability, efforts have been undertaken in the proposed FY 2017 budget recommendation to further streamline County services; reduce vacant and filled positions; prioritize the delivery of critical public safety and health services; and address the County's revenue needs; and

WHEREAS, the FY 2017 budget recommendation includes an additional one percent reduction in positions; includes the layoff of 300 employees; implements non-personnel reductions and proposes various management initiatives as cost saving measures; and

WHEREAS, the FY 2017 budget recommendation includes over \$78 million in expenditure reductions; however, to seek additional expenditure reductions would result in a significant impairment of our public health and public safety operations; and

WHEREAS, in order to prevent devastating cuts to the County's public safety and public health operations, a one cent per ounce sweetened beverage tax is being sought to generate the funds needed to cover the remaining \$74.6 million deficit for FY 2017; and

WHEREAS, implementing a sweetened beverage tax on both sugar sweetened and artificially sweetened beverages will not only allow the County to address various public safety and health funding needs but it is an important public health initiative to discourage sweetened beverage consumption among youth and adults which over time should assist in lowering obesity rates, prevent type 2 diabetes, reduce cardiovascular disease, reduce kidney decline in women and reduce other serious health problems; and

WHEREAS, implementing a sweetened beverage tax on largely consumed sweetened beverages could result in healthier beverage and food choices by both youth and adults and a healthier Cook County community long term; and

WHEREAS, proposing a new revenue initiative, streamlining services, reducing vacant positions and implementing layoffs are not easy choices; however, Cook County and its leadership must continue to act responsibly to address the long-term needs of the County's residents and taxpayers and balance the proposed sweetened beverage tax with cuts.

NOW, THEREFORE, BE IT RESOLVED, that the President and the Cook County Board of Commissioners do hereby support passing a one cent per ounce sweetened beverage tax in an effort to improve public health as well as cover the remaining \$74 million deficit for the FY 2017 budget and avoid devastating cuts to the County's public health and public safety budgets; and

BE IT FURTHER RESOLVED, that following a three year fiscal forecast and planning exercise undertaken by the Bureau of Finance, the sweetened beverage tax revenue estimates for FY 2018 and FY 2019 would allow the County to maintain the proposed streamlined services levels recommended in the FY 2017 budget in FY 2018 and 2019; and

BE IT FURTHER RESOLVED, that the President and the Cook County Board of Commissioners do hereby resolve upon passage, implementation and enforcement of the proposed sweetened beverage tax, that the President and the Cook County Board of Commissioners will not further increase any of the tax rates provided in the County’s home rule tax ordinances in FY 2017, FY 2018 or FY 2019 or deviate from the property tax restrictions provided in the County’s Cook County Property Tax Relief Ordinance as provided in Chapter 74, Article II, Section 74-38 of the County’s Code of Ordinances for at least the next two ensuing fiscal years.

Approved and adopted this 10th of November 2016.

TONI PRECKWINKLE, President
Cook County Board of Commissioners

Attest: DAVID ORR, County Clerk

A motion was made by Commissioner Daley, seconded by Commissioner Sims, that the Proposed Resolution be approved as amended. The motion carried.

16-5739

ORDINANCE AMENDMENT

Sponsored by

**THE HONORABLE JOHN A. FRITCHEY, LARRY SUFFREDIN,
PRESIDENT TONI PRECKWINKLE, JOHN P. DALEY, STANLEY MOORE,
LUIS ARROYO JR., RICHARD R. BOYKIN, JERRY BUTLER, BRIDGET GAINER,
JESÚS G. GARCÍA, GREGG GOSLIN, EDWARD M. MOODY, SEAN M. MORRISON,
TIMOTHY O. SCHNEIDER, PETER N. SILVESTRI, DEBORAH SIMS,
ROBERT B. STEELE AND JEFFREY R. TOBOLSKI, COUNTY COMMISSIONERS**

**COOK COUNTY TAXATION PREDICTABILITY AND
LONG-TERM FISCAL FORECASTING AMENDMENT**

NOW, THEREFORE, BE IT ORDAINED, by the Cook County Board of Commissioners that Chapter 74 Taxation, Article IV Retailers’ Occupation Tax, Sections 74-150 through 74-154 be amended as follows:

ARTICLE IV. - RETAILERS' OCCUPATION TAX

Sec. 74-150. - Short title.

This article shall be known and may be cited as the Cook County Home Rule County Retail Occupation Tax Ordinance.

Sec. 74-151. - Imposed.

As authorized by 55 ILCS 5/5-1006 (home rule county retailers' occupation tax law), a tax is imposed Countywide upon all persons in the County engaged in the business of selling tangible personal property at retail, at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012 through December 31, 2012; three-quarters percent (0.75%) through December 31, 2015; and one and three-quarters percent (1.75%) thereafter of the gross receipts from such sales made in the course of such business. The tax shall be paid in the manner provided in such statute.

Sec. 74-152. - Notification of the Illinois Department of Revenue.

The Clerk of the Board is hereby authorized and directed to obtain and transmit a certified copy of this Ordinance to the Illinois Department of Revenue not later than five days after its effective date, and in no case later than October 1, 2015 so as to enable the Illinois Department of Revenue to proceed to administer and enforce the modifications provided in this Ordinance, on behalf of the County of Cook, as of January 1, 2016.

Sec. 74-153. - Items used for feminine hygiene exempted.

The tax imposed in Section 74-151 shall not be imposed upon sales of the following items:

(a) Goods commonly sold at retail for the purpose of the collection and/or absorption, for disposal of menstrual fluid including, but not limited to: tampons; daily liners; sanitary napkins; and disposable and reusable menstruation cups.

Sec. 74-154. - Long term fiscal forecasting and limitation on tax imposed.

(a) Effective December 1, 2016, prior to approving an increase or decrease to the tax imposed in Sec. 74-151, the Bureau of Finance shall undertake a fiscal planning exercise and provide a forecast of revenues based upon the proposed increase or decrease. Such forecast of revenues shall include at a minimum a thirty-six month projection of revenues based upon the proposed increase or decrease as well as a brief analysis of anticipated expenditures for the same time period. The fiscal forecast must expressly include any planned or anticipated debt issuance as called for in the most recent Capital Budget as presented to the Board of Commissioners, as well as specifically describe the assumptions used for inflation and other key economic assumptions. The forecast shall identify any expected growth in aggregate expenses and take into consideration the County's debt structure and labor costs, in the succeeding thirty-six month period. Any projected growth in aggregate expenses in excess of inflation shall require an explanation of how such costs will be covered in order to provide greater certainty to Cook County taxpayers.

(b) Upon passage, implementation and enforcement of the Cook County Sweetened Beverage Tax, the County Board shall not increase or decrease the Retailers' Occupation Tax rate prior to January 1, 2020. Any increase or decrease in the Retailers' Occupation Tax rate effective January 1, 2020 or after shall not be approved by the Board without first receiving the Bureau of Finance's thirty-six month fiscal forecast as required in sub-section (a) of this section. The County Board shall not increase the Retailers' Occupation Tax for 36 months following an increase in such Retailers' Occupation Tax or increase in the Aggregate Levy in excess of the limitation set forth in Subsection 74-38(b) without first considering the Bureau of Finance's fiscal forecast as required in subsection (a) of this section.

BE IT FURTHER ORDAINED, that Chapter 74 Taxation, Article V Service Occupation Tax, Sections 74-190 through 74-193 be amended as follows:

ARTICLE V. - SERVICE OCCUPATION TAX

Sec. 74-190. - Short title.

This article shall be known and may be cited as the Cook County Home Rule County Service Occupation Tax Ordinance.

Sec. 74-191. - Imposed.

As authorized by 55 ILCS 5/5-1007 (home rule county service occupation tax law), a tax is imposed Countywide upon all persons in the County engaged in the business of making sales of service at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012 through December 31, 2012; three-quarters percent (0.75%) through December 31, 2015; and one and three-quarters percent (1.75%) thereafter of the selling price of all tangible personal property transferred by such serviceperson either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be paid in the manner provided in such statute.

Sec. 74-192. - Notification of the Illinois Department of Revenue.

The Clerk of the Board is hereby authorized and directed to obtain and transmit a certified copy of this Ordinance to the Illinois Department of Revenue not later than five days after its effective date, and in no case later than October 1, 2015 so as to enable the Illinois Department of Revenue to proceed to administer and enforce the modifications provided in this Ordinance, on behalf of the County of Cook, as of January 1, 2016.

Sec. 74-193. - Long term fiscal forecasting and limitation on tax imposed.

(a) Effective December 1, 2016, prior to approving an increase or decrease to the tax imposed in Sec. 74-191, the Bureau of Finance shall undertake a fiscal planning exercise and provide a forecast of revenues based upon the proposed increase or decrease. Such forecast of revenues shall include at a minimum a thirty-six month projection of revenues based upon the proposed increase or decrease as well as a brief analysis of anticipated expenditures for the same time period. The fiscal forecast must expressly include any planned or anticipated debt issuance as called for in the most recent Capital Budget as presented to the Board of Commissioners, as well as specifically describe the assumptions used for inflation and other key economic assumptions. The forecast shall identify any expected growth in aggregate expenses and take into consideration the County's debt structure and labor costs, in the succeeding thirty-six month period. Any projected growth in aggregate expenses in excess of inflation shall require an explanation of how such costs will be covered in order to provide greater certainty to Cook County taxpayers.

(b) Upon passage, implementation and enforcement of the Cook County Sweetened Beverage Tax, the County Board shall not increase or decrease the Service Occupation Tax rate prior to January 1, 2020. Any increase or decrease in the Service Occupation Tax rate effective January 1, 2020 or after shall not be approved by the Board without first receiving the Bureau of Finance's thirty-six month fiscal forecast as required in sub-section (a) of this section. The County Board shall not increase the Service Occupation Tax for 36 months following an increase in such Service Occupation Tax or increase in the Aggregate Levy in excess of the limitation set forth in Subsection 74-38(b) without first considering the Bureau of Finance's fiscal forecast as required in subsection (a) of this section.

BE IT FURTHER ORDAINED, that Chapter 74 Taxation, Article II Real Property Taxation, Section 74-38 be amended as follows:

ARTICLE II. - REAL PROPERTY TAXATION

Sec. 74-38. - Limitation on aggregate levy.

(a) This Section shall be known and may be cited as the Cook County Property Tax Relief Ordinance.

(b) Except as otherwise provided in Subsections (c) and (d) of this Section, the County Board shall not increase the aggregate real estate tax levy for corporate, public safety and health (for purposes of this Section, the "aggregate levy") for any year over the prior year's aggregate levy by an amount greater than five percent or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year, whichever is less. For purposes of this Section, the term "Consumer Price Index" means the Consumer Price Index for all Urban Consumers for all items published by the United States Department of Labor.

(c) The County Board may adopt an Aggregate Levy for any year in excess of the limitation set forth in Subsection (b) of this Section if approved by a two-thirds vote of the members of the County Board then holding office.

(d) The County Board may increase the Aggregate Levy for any year in excess of the limitation set forth in Subsection (b) of this Section to include the following pursuant to the procedure set forth in the Property Tax Extension Limitation Law (35 ILCS 200/18-185 et seq.): (1) any property annexed into the County during the levy year and (2) any new property created in the County during the levy year. For purposes of this Section, the term "new property created" means the assessed value, after final Board of Appeals action, of new improvements or additions to existing improvements on any parcel of real property that increase the assessed value of that real property during the levy year.

(e) Upon passage, implementation and enforcement of the Cook County Sweetened Beverage Tax, the County Board shall not increase the Aggregate Levy in excess of the limitation set forth in Subsection (b) between tax years 2017, 2018 and 2019.

(f) Effective tax year 2020, any increase in excess of the limitation set forth in 74-38 (b) shall require the Bureau of Finance to first undertake a fiscal planning exercise and provide a forecast of revenues based upon the proposed increase prior to taking such vote. Such forecast of revenues shall include at a minimum a thirty-six month projection of revenues based upon the proposed increase or decrease as well as a brief analysis of anticipated expenditures for the same time period. The fiscal forecast must expressly include any planned or anticipated debt issuance as called for in the most recent Capital Budget as presented to the Board of Commissioners, as well as specifically describe the assumptions used for inflation and other key economic assumptions. The forecast shall identify any expected growth in aggregate expenses and take into consideration the County's debt structure and labor costs, in the succeeding thirty-six month period. Any projected growth in aggregate expenses in excess of inflation shall require an explanation of how such costs will be covered in order to provide greater certainty to Cook County taxpayers. The County Board shall not increase the Aggregate Levy in excess of the limitation set forth in Subsection (b) of this Section for 36 months following an increase in the Aggregate Levy or the Cook County Retailers' Occupation Tax and Service Occupation Tax without first considering the Bureau of Finance's fiscal forecast as required herein.

Effective Date: This Ordinance shall take effect upon adoption.

Approved and adopted this 10th of November 2016.

TONI PRECKWINKLE, President
Cook County Board of Commissioners

Attest: DAVID ORR, County Clerk

A motion was made by Commissioner Daley, seconded by Commissioner Sims, that the Proposed Ordinance Amendment be approved as amended. The motion carried.

ADJOURNMENT

A motion was made by Commissioner Daley, seconded by Commissioner Sims, that the meeting do now adjourn to meet again on November 16, 2016, in accordance with County Board Resolution 16-0557. The motion prevailed and the meeting stood adjourned.



County Clerk