



Board of Commissioners of Cook County

Finance Committee

Friday, November 13, 2015

1:00 PM

**Cook County Building, Board Room, 569
118 North Clark Street, Chicago, Illinois**

NOTICE AND AGENDA

There will be a meeting of the Committee or Subcommittee of the Board of Commissioners of Cook County at the date, time and location listed above to consider the following:

PUBLIC TESTIMONY

According to the Cook County Board's Rules of Organization and Procedure, public testimony will be permitted at regular and special meetings of the Board and at committee meetings of the Board. Authorization as a public speaker shall only be granted to those individuals who have submitted in writing, their name, address, subject matter, and organization (if any) to the Secretary 24 hours in advance of the meeting. Duly authorized public speakers shall be called upon to deliver testimony at a time specified in the meeting agenda. Public testimony must be germane to a specific item(s) on the meeting agenda, and the testimony must not exceed three minutes; the Secretary will keep track of the time and advise when the time for public testimony has expired. Persons authorized to provide public testimony shall not use vulgar, abusive, or otherwise inappropriate language when addressing the Board; failure to act appropriately; failure to speak to an item that is germane to the meeting, or failure to adhere to the time requirements may result in expulsion from the meeting and/or disqualify the person from providing future testimony.

15-5775

Sponsored by: ROBERT STEELE, County Commissioner

PROPOSED ORDINANCE AMENDMENT

CLERK OF THE CIRCUIT COURT, COURT AUTOMATION FEES

WHEREAS, Illinois Compiled Statutes, 705 ILCS 105/27.3a, authorizes county boards to require the Clerk of the Circuit Court to collect a court automation fee to be used to establish and maintain an automated record keeping system; and

WHEREAS, on October 3, 1988, the Cook County Board of Commissioners adopted County Ordinance 88-0-45 (Ordinances of Cook County, Chapter 13, section 13-186.1-186.4) establishing the Court Automation Fund and authorizing the Clerk of the Circuit Court to collect an additional court filing fee of \$3.00; and

WHEREAS, Section 1 of P.A. 87-670, effective January 1, 1992, amended Illinois Compiled Statutes, 705 ILCS 105/27.3a, by increasing the fees authorized to be collected to an amount not to exceed \$5.00; and

WHEREAS, on February 3, 1992, the Cook County Board of Commissioners amended County Ordinance 92-0-15 increasing the fee to \$5.00; and

WHEREAS, on August 15, 2005, Public Act 094-0596, approved by the State Legislature and signed by the Governor, amended 705 ILCS 105/27.3a, increasing the maximum court automation fee to \$15.00; and

WHEREAS, on December 27, 2013, Public Act 098-0606, approved by the State Legislature and signed by the Governor, amended 705 ILCS 105/27.3a, increasing the maximum court automation fee to ~~\$15.00~~ \$25.00; and

WHEREAS, the Clerk of the Circuit Court has represented that the Automation Fees be increased as authorized by the Legislature excluding minor traffic cases satisfied without a court appearance; and

WHEREAS, the Clerk of the Circuit Court has represented that the costs associated with automating the records of the Circuit Court include procuring a new case management system for all case types --- civil, criminal, traffic, domestic violence, juvenile, and child protection; a system which has not been replaced in its entirety since the first system was implemented in 1970; procuring the equipment needed to retrofit all courtrooms to electronic courtrooms in order to utilize the current imaging and electronic filing technology and meet one of the pre-requisites needed to obtain approval from the Administrative Office of the Illinois Courts (AOIC) to make electronic records the official court records, thus eliminating the need for paper files; and to create and equip a customer service computer resource center to allow individuals representing themselves to have access to electronic records, thus providing fair access to justice. These needs justify and necessitate the increased fee; and

WHEREAS, the Board of Commissioners of Cook County desire to increase the fee as requested; and to stay the same upon approval for at least the next 4 years.

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 32 Fees, Sec. 32-1 of the Cook County Code are amended as Follows:

Sec. 18-33. Court automation fee imposed.

(a) *Definitions.* Except where the context otherwise requires, the terms, words and/or phrases used in this section shall be ascribed the same meaning as those terms defined or used by 705 ILCS 105/27.3a, et seq. (fees for automated record keeping).

(b) *Imposed.*

- (1) In accordance with the provisions set forth in 705 ILCS 105/27.3a et seq. (fees for automated record keeping), a court automation fee is hereby imposed in the County. The Clerk of the Circuit Court of the County shall charge and collect a court automation fee as set out in Section 32-1 from each party in all civil cases and by the defendant in any felony, traffic misdemeanor, municipal ordinance, or conservation case upon a judgment of guilty or grant of supervision, provided that the record keeping system which processes the case category for which the fee is charged is automated or has been approved for automation by the County Board.
- (2) Such fee shall be paid at the time of filing the first pleading, for all civil cases, paper or other appearance filed by each party. No additional fee shall be required if more than one party is presented in a single pleading, paper or other appearance.

(c) *Collection and enforcement.*

- (1) In accordance with the provisions set forth in 705 ILCS 105/27.3a et seq., such court automation fee shall be charged and collected by the Clerk of the Circuit Court. Such fee shall be collected in the manner in which all other fees or costs are collected.

- (2) This fee shall be in addition to all other fees and charges of such clerk, and assessable as costs, and shall be remitted monthly by such clerk to the County Treasurer, to be retained in a special fund designated as the court automation fund. The fund shall be audited by the County Auditor, and the Board shall make expenditure from the fund in payment of any cost related to the automation of court records, including hardware, software, research and development costs and personnel related thereto, provided that the expenditure is approved by the Clerk of the Circuit Court and by the Chief Judge of the Circuit Court or designate.
- (3) This fee shall not be charged in any matter coming to any such clerk on change of venue, nor in any proceeding to review the decision of any administrative officer, agency or body. The Clerk of the Circuit Court shall not collect the fees herein authorized from any official, department or agency of County Government where the services provided by the Clerk of the Circuit Court are for official purposes. Any County official, department or agency requesting services from the Clerk of the Circuit Court pursuant to this provision shall be required to indicate that the request is made for "Official Purposes". The Clerk of the Circuit Court shall establish and keep a record of the fee exempt services rendered to each County official, department or agency. Such records shall be available on request, to the Chief Financial Officer of the County.

CHAPTER 32 FEES

Sec. 32-1 Fee schedule

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

CHAPTER 18, COURTS

18-34	Court automation fee	15.00 25.00
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Effective date: This ordinance shall be in effect on December 1, 2015 in accordance with the effective date of Public Act 098-0606.

Legislative History : 10/7/15 Board of Commissionersreferred to the Finance Committee

15-5780

Sponsored by: ROBERT STEELE, County Commissioner

PROPOSED ORDINANCE AMENDMENT

CLERK OF THE CIRCUIT COURT, DOCUMENT STORAGE FEES

WHEREAS, Illinois Compiled Statutes, 705 ILCS 105/27.3^{ac}, authorizes county boards to require the Clerk of the Circuit Court to collect a court document fee to be used to establish a document storage system; and

WHEREAS, on January 7, 1991, the Cook County Board of Commissioners adopted County Ordinance 91-0-7 establishing the Document Storage Fund and authorizing the Clerk of the Circuit Court to collect an additional court filing fee of \$3.00; and

WHEREAS, Section 1 of P.A. 87-670, effective January 1, 1992, amended Illinois Compiled Statutes, 705 ILCS 105/27.3c, by increasing the fees authorized to be collected to an amount not to exceed \$5.00; and

WHEREAS, on February 3, 1992, the Cook County Board of Commissioners amended County Ordinance 92-0-14 increasing the fee to \$5.00; and

WHEREAS, on August 15, 2005, Public Act 094-0595, approved by the State Legislature and signed by the Governor, amended 705 ILCS 105/27.3c, increasing the maximum document storage fee to \$15; and

WHEREAS, on December 27, 2013, Public Act 098-0606, approved by the State Legislature and signed by the Governor, amended 705 ILCS 105/27.3c, increasing the maximum document storage fee to ~~\$15.00~~ \$25.00; and

WHEREAS, the Clerk of the Circuit Court has represented that the document storage fees be increased as authorized by the Legislature excluding minor traffic cases satisfied without a court appearance; and

WHEREAS, the Clerk of the Circuit Court has represented that the costs associated with maintaining the current document management and storage system; and converting old paper files, for cases filed prior to the implementation of the imaging system prior to 2006 for County Division; November 11, 2009 for Chancery Division; 2011 for Probate Division; June 2011 for Law Division; August 2011 for Civil Division; 2012 for Juvenile Justice and Child Protection; April 2012 for Domestic Relations and Child Support; December 2013 for Criminal Division, Criminal Department, and Major Traffic; February 2014 for Criminal and Major Traffic; and, 2016 for the completion of Minor Traffic. The paper records date back to October 1871 and will cost more than \$20 million to convert to electronic records based upon the most recent Needs Analysis performed in 2006. These needs justify and necessitate the increased fee; and

WHEREAS, the Board of Commissioners of Cook County desires to increase the fee as requested; and to stay the same upon approval for at least the next 4 years.

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 32 Fees, Sec. 32-1 of the Cook County Code are amended as Follows:

Sec. 18-34. Court Clerk document storage fee

(a) *Generally.* In accordance with provisions set forth in 705 ILCS 105/27.3c, et seq. (document storage system), a document storage fee is hereby imposed in the County. The Clerk of the Circuit Court of the County shall charge and collect a document storage fee as set out in Section 32-1 from each party in all civil cases and by the defendant in any felony, traffic misdemeanor, municipal ordinance, or conservation case upon a judgment of guilty or grant of supervision, provided that the record keeping system which processes the case category for which the fee is charged is automated or has been approved for automation by the County Board. Such fee shall be paid at the time of filing the first pleading, paper or other appearance filed by each party. No additional fee shall be required if more than one party is presented in a single pleading, paper or other appearance.

(b) *Definitions.* Except where the context otherwise requires, the terms, words and/or phrases used in this section shall be ascribed the same meaning as those terms defined or used by 705 ILCS 105/27.3c et seq. (document storage system).

(c) *Collection and enforcement.* In accordance with provisions set forth in 705 ILCS 105/27.3c, et seq. (document storage system), such document storage fee shall be charged and collected by the Clerk of the Circuit Court. Such fee shall be collected in the manner in which all other fees or costs are collected. (This fee shall be in addition to all other fees and charges of such clerk, and assessable as costs, and shall be remitted monthly by such clerk to the County Treasurer to be retained in a special fund designated as the "Document Storage Fund." The fund shall be audited by the County Auditor and the Board shall make expenditure from the fund in payment of any cost related to the automation of court records, including hardware, software, research and development costs

and personnel related thereto, provided that the expenditure is approved by the Clerk of the Circuit Court. This fee shall not be charged in any matter coming to any such clerk on change of venue, nor in any proceeding to review the decision of any administrative officer, agency or body. The Clerk of the Circuit Court shall not collect the fees herein authorized from any official, department or agency of County Government where the services provided by the Clerk of the Circuit Court are for official purposes. Any County official, department or agency requesting services from the Clerk of the Circuit Court pursuant to this provision shall be required to indicate that the request is made for "Official Purposes." The Clerk of the Circuit Court shall establish and keep a record of the fee exempt services rendered to each County official, department or agency. Such records shall be available on request, to the Chief Financial Officer of the County.

CHAPTER 32 FEES

Sec. 32-1. Fee schedule

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

CHAPTER 18, COURTS

18-34	Document storage fee	45.00 25.00
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Effective date: This ordinance shall be in effect on December 1, 2015 in accordance with the effective date of Public Act 098-0606.

Legislative History : 10/7/15 Board of Commissionersreferred to the Finance Committee

15-6024

Sponsored by: TONI PRECKWINKLE, President, Cook County Board of Commissioners

PROPOSED ORDINANCE AMENDMENT

AMUSEMENT TAX ORDINANCE

WHEREAS, fiscal responsibility, innovative leadership, transparency and accountability, and improved services have been and continue to be the underlying mission of the President and the Cook County Board of Commissioners; and

WHEREAS, improvements in enforcement of current Home Rule Tax Ordinances are essential to encourage increased compliance; and

WHEREAS, the Department of Revenue wishes to codify already established practices in order to alleviate confusion; and

WHEREAS, further alignment with the City of Chicago's Amusements Ordinance will alleviate tax reporting burdens on area businesses;

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74, Taxation, Article X, Amusement Tax, Sections 74-390 through 74-398 of the Cook County Code shall be amended as follows:

Sec. 74-390. Short Title. This article shall be known and may be cited as the Cook County Amusement Tax Ordinance

Sec. 74-391. 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:

Amusement means (1) any exhibition, performance, presentation or show for entertainment purposes, including, but not limited to, any theatrical, dramatic, musical or spectacular performance, promotional show, motion picture show, flower, poultry or animal show, animal act, circus, rodeo, athletic contest, sport, game or similar exhibition, such as boxing, wrestling, skating, dancing, swimming, racing, riding on animals or vehicles, baseball, basketball, softball, soccer, football, tennis, golf, hockey, track and field games, bowling, or billiard and pool games; ~~(2) any entertainment or For purposes of this article, the term "amusement" shall not mean any recreational activity offered for public participation or on a membership or other basis, including, but not limited to, carnivals, amusement park rides and games, bowling, billiards and pool games, dancing, tennis, golf, racquetball, swimming, weightlifting, body building or similar activities;~~ or (3) any paid television programming, whether transmitted by wire, cable, fiber optics, laser, microwave, radio, satellite or similar means. For purposes of this article, the term "amusement" shall not mean raffles, as defined in 230 ILCS 15/1 (Raffles Act—definitions), intertrack wagering facilities, as defined in the Illinois Horse Racing Act of 1975 (230 ILCS 5/1 et seq.), or automatic amusement devices.

Automatic amusement devices means any machine which upon the insertion of a coin, slug, token, or similar object may be operated generally by any person for use as a game, entertainment or amusement, whether or not registering a score, and includes, but is not limited to, such devices as jukeboxes, marble machines, pinball machines, video games, movie or video booths or stands and all games, operations or transactions similar thereto under whatever name by which they may be indicated.

Charges paid means the gross amount of consideration paid for the privilege to enter, to witness, to view or to participate in an amusement, valued in money, whether received in money or otherwise, including cash, credits, property and services, determined without any deduction for costs or expenses whatsoever, but not including charges that are added on account of the tax imposed by this article or on account of any other tax imposed on the charge.

Department and *Department of Revenue* mean the County Department of Revenue.

Live theatrical, live musical or other live cultural performance means a live performance in any of the disciplines which are commonly regarded as part of the fine arts, such as live theater, music, opera, drama, comedy, ballet, modern or traditional dance, and book or poetry readings. The term does not include such amusements as athletic events, races, or performances conducted at adult entertainment cabarets (as defined in Section 14.2.1 of the Cook County Zoning Ordinance ~~of 2004~~).

Maximum capacity means the persons that an auditorium, theater or other space may accommodate as determined by the local fire department or other appropriate governmental agency; provided, however, that maximum capacity shall not exceed the maximum number of tickets or admissions that may be made available for sale to a performance as stated in any binding written agreement relating to that performance. If the number of tickets or admissions actually sold to a performance exceeds the legally permissible limit, then, for purposes of determining the applicable tax, the term "maximum capacity" shall mean such greater number.

Operator means any person who sells or resells a ticket or other license to an amusement for consideration or who, directly or indirectly, receives or collects the charges paid for the sale or resale of a ticket or other license to an amusement. The term includes, but is not limited to, persons engaged in the business of selling or reselling tickets or other licenses to amusement, whether on-line, in person or otherwise.

Owner means:

- (1) With respect to the owner of a place where an amusement is being held, any person who has an ownership or leasehold interest in a building, structure, vehicle, boat, area or other place who presents, conducts or operates an amusement in such place or who allows, by agreement or otherwise, another person to present, conduct or operate an amusement in such place;
- (2) With respect to the owner of an amusement, any person which has an ownership or leasehold interest in such amusement or any person who has a proprietary interest in the amusement so as to entitle such person to all or a portion of the proceeds, after payment of reasonable expenses, from the operation, conduct or presentation of such amusement, excluding proceeds from nonamusement services and from sales of tangible personal property;
- (3) With respect to paid television, any person operating a community antenna television system or wireless cable television system, or any person receiving consideration from the patron for furnishing, transmitting, or otherwise providing access to paid television programming.

Paid television means programming that can be viewed on a television or other screen, and is transmitted by cable, fiber optics, laser, microwave, radio, satellite or similar means to members of the public for consideration.

Patron means a person who acquires the privilege to enter, to witness, to view or to participate in an amusement.

Person means any natural individual, firm, society, foundation, institution, partnership, limited liability company, association, joint stock company, joint venture, public or private corporation, receiver, executor, trustee or other representative appointed by the order of any court, or any other entity recognized by law as the subject of rights and duties. The masculine, feminine, singular and plural are included in any circumstance.

Resale means the resale of a ticket or other license to an amusement after the ticket or other license has been sold by the owner, manager or operator of the amusement, or by the owner, manager or operator of the place where the amusement is being held, to an independent and unrelated third party.

Reseller means a person who resells a ticket or other license to an amusement for consideration. The term includes, but is not limited to, ticket brokers and applies whether the ticket is resold by bidding, consignment or otherwise and whether the ticket is resold in person, at a site on the Internet or otherwise.

Ticket means the privilege to enter, to witness, to view or to participate in an amusement, whether or not expressed in a tangible form.

Sec. 74-392. Tax imposed.

- (a) Except as otherwise provided by this section, an amusement tax is imposed upon the patrons of every amusement which takes place within the County. The rate of the tax shall be equal to three percent of the admission fees or other charges paid for the privilege to enter, to witness, ~~or to view~~ or to participate in such amusement, unless subsection (f) of this section provides for a lower rate.
- (b) The tax imposed by subsection (a) of this section may be waived for the following persons or privileges, after approval by the Department of Revenue or, if applicable, the Cook County Board of Commissioners:
 - (1) The privilege of witnessing or participating in any stock show or business show that is not open to the general public;
 - (2) The privilege of witnessing or participating in any amateur production or activity such as amateur musicals, plays and athletic events conducted by a not-for-profit organization operated exclusively for charitable, educational or religious purposes; ~~or~~

(3) Subject to satisfying the requirement contained in subsection (c) of this section, the privilege of witnessing or participating in any amusement sponsored or conducted by and the proceeds of which, after payment of reasonable expenses, inure exclusively to the benefit of:

- a. Religious, educational and charitable institutions, societies or organizations;
- b. Societies or organizations for the prevention of cruelty to children or animals;
- c. Societies or organizations conducted and maintained for the purpose of civic improvement;
- d. Fraternal organizations, legion posts, social and political groups which conduct amusements, sponsored occasionally but not more often than twice yearly; ~~provided, however, that the entities described in subsections (b)(3)a-d of this section are not for profit institutions, organizations, groups or societies, where no part of the net earnings inure to the benefit of any private shareholder or person;~~

Provided, however, that the entities described in subsections (b)(3)a-d of this section are not-for-profit institutions, organizations, groups or societies, where no part of the net earnings inure to the benefit of any private shareholder or person;

- e. Organizations or persons in the armed services of the United States, or National Guard organizations, reserve officers' associations, or organizations or posts of war veterans, or auxiliary units or societies of such posts or organizations, if such posts, organizations, units or societies are organized in the State of Illinois, and if no part of their earnings inure to the benefit of any private shareholder or person;
- f. Organizations or associations created and maintained for the purpose of benefiting the members, or dependents or heirs of members, of the police or fire {departments} of any political subdivision of the State of Illinois;~~provided that the exemptions contained in subsections (b)(3)a-f of this section shall apply only to benefits or other fundraising events and shall not apply to more than two events per calendar year which shall not exceed a total of 14 calendar days;~~

Provided, however, that the exemptions contained in subsections (b)(3)a-f of this section shall apply only to benefits or other fundraising events and shall not apply to more than two events per calendar year which shall not exceed a total of 14 calendar days;

- g. Societies or organizations conducted for the sole purpose of maintaining symphony orchestras, opera performances or artistic presentations, including, but not limited to, musical presentations ("artistic societies or organizations"), if the artistic society or organization:
 - 1. Receives substantial support from voluntary contributions;
 - 2. Is a not-for-profit institution where no part of the net earnings inure to the benefit of any private shareholder or person; and
 - 3. Either (i) bears all risk of financial loss from its presentation of the amusement, where the amusement takes place at a venue that is owned or operated, by a not-for-profit institution, no part of whose net earnings inure to the benefit of any private shareholder or person, and where the amusement is limited to an engagement of not more than four calendar days over the course of a calendar year, or (ii) is substantially and materially involved in the production and performance of the amusement. Where an amusement is sponsored or conducted by two or more artistic societies or organizations, the requirements of subsections (b)(3)g.1. and 2. of this

section must be met by each of such artistic societies or organizations, but the requirements of subsection (b)(3)g.3. may be met by any of such artistic societies or organizations, individually or in combination.

- (c) None of the exemptions contained in subsection (b)(3) of this section shall be granted unless a written application for exemption is filed with the Department at least 45 calendar days prior to the amusement event or 15 calendar days prior to the date that admission tickets to the amusement are first made available for sale, whichever is earlier. The application shall be on a form prescribed by the Director of Revenue and shall contain all information necessary to permit the Department to determine whether the exemption claimed by the applicant is applicable. If the department determines that by granting the exemption the potential loss of tax revenue will be greater than \$150,000.00 the application shall be submitted to the Cook County Board of Commissioners for final approval. The County Board may deny the exemption application if it finds that the exemption is not in the best economic interest of the County.
- (d) The tax imposed in subsection (a) of this section shall not apply to or be imposed upon:
- (1) The admission fees to witness in person, live theatrical, live musical or other live cultural performances that take place in any auditorium, theater or other space in the County, whose maximum capacity, including all balconies and other sections, is not more than 750 persons.
 - (2) Initiation fees and membership dues paid to a health club, racquetball club, tennis club or a similar club or organization, when such club or organization is organized and operated on a membership basis and for the recreational purposes of its members and its members' guests, shall be exempt from the tax imposed in subsection (a) of this section. This exemption shall not be construed to apply to any fees paid or based upon a per-event or a per-admission basis.
 - ~~(3) Fees or other charges paid by a patron for the privilege of witnessing, viewing or participating in an amusement, solely within the confines of such patron's home, shall be exempt from the imposition of the tax imposed in subsection (a) of this section. For purposes of this exemption, the term "home" means the permanent dwelling residence of the patron. For patrons who live in condominium buildings, apartment buildings or other multiple unit structures, the individual dwelling unit the patron occupies shall be considered the patron's home.~~
- (e) For the purpose of determining the amount of the amusement tax due under this article, admission fees or other charges shall be computed exclusive of:
- ~~(1) Any Federal, State or municipal taxes imposed upon the amusement patron, and~~
 - (2) Any amounts subject to other Cook County taxes (with the exception of County Retailers' Occupation Tax), provided such County taxes are separately listed on the ticket of admission and the corresponding Cook County tax has been paid on that separately stated amount.
 - ~~(3) Any separately stated optional charges for nonamusement services or for sales of tangible personal property.~~
- (f) It is unlawful for any person to produce, present or conduct any amusement without collection of the tax, except as provided in this article.
- (1) The rate of the tax imposed in subsection (a) of this section shall be one percent of the admission fees or other charges to witness in person live theatrical, live musical or other live cultural performances that take place in any auditorium, theater or other space in the County whose maximum capacity, including all balconies and other sections, is more than 750 persons and less than 5,000 persons.

- (2) The rate of the tax imposed in subsection (a) of this section shall be 1.5 percent of the admission fees or other charges to witness in person live theatrical, live musical or other live cultural performances that take place in any auditorium, theater or other space in the County whose maximum capacity, including all balconies and other sections, is 5,000 persons or more.

(g) It shall be presumed that all amusements are subject to tax under this article until the contrary is established by books, records or other documentary evidence.

(h) It is unlawful for any person to produce, present, conduct, or resell tickets to, any amusement without collection of the tax, except as provided in this article.

Sec. 74-393. Tax additional.

The tax imposed in this article is in addition to all other taxes imposed by ~~the County,~~ the State of Illinois or any municipal corporation or political subdivision thereof~~of any of the foregoing.~~

Sec. 74-394. Registration.

Every owner, manager or operator of an amusement or of a place where an amusement is being held in the County and every reseller, shall apply for registration as a tax collector with the Department no later than 30 days after commencing such business or 30 days after the effective date of the ordinance from which this article is derived, whichever occurs later. Application for registration shall be made to the Department by use of the form furnished by the Department for such purpose and shall contain such information as the Department may reasonably require.

Sec. 74-395. Collection, payment and accounting.

- (a) It shall be the joint and several duty of every owner, manager, ~~or~~ operator of an amusement, a place where an amusement is being held or place of amusement and every ticket reseller to secure from each patron or buyer the tax imposed by this article; provided, however, that a reseller of tickets shall be required to collect and remit tax to the Department only on that portion of the ticket price that exceeds the amount that the reseller paid for the tickets. For purposes of this provision, it shall be presumed that the amount that the reseller paid for the tickets is the face amount of the tickets, unless the taxpayer or tax collector proves otherwise with books, records or other documentary evidence. Tax payments accompanied by tax returns prescribed by the Department shall be remitted to the Department on or before the 20th day of the month following the month in which payment for the amusement is made.
- (b) Canceled admission tickets and complete and accurate records, books and accounts in detail of all receipts shall be kept at the place of amusement or such other place in the County as may be designated in writing by the person liable for collection of the tax. All such books, records and accounts shall be kept for a period equal to the statute of limitations as identified in the Uniform Penalties, Interest and Procedures Ordinance, 34-60 et seq., and shall be open to inspection by the Department at all reasonable times during business hours.
- (c) Every owner, manager, ~~or~~ operator or reseller who is required to collect the tax imposed by this article shall be considered a tax collector for the County. All amusement taxes collected shall be held by such tax collector as trustee for and on behalf of the County. The failure of the tax collector to collect the tax shall not excuse or release the patron from the obligation to pay the tax.
- (d) Notwithstanding any other provision of this article, in order to permit sound fiscal planning and budgeting by the County, no person shall be entitled to a refund of, or credit for, the tax imposed by this article unless the person files a claim for refund or credit within one year after the date on which the tax was paid or remitted to the Department.

Sec. 74-396. Rules and regulations; authorized.

The Department of Revenue is authorized to adopt, promulgate and enforce rules and regulations pertaining to the interpretation, collection, administration and enforcement of this article, including, but not limited to, the meaning and scope of the exemptions contained in Section 74-392.

Sec. 74-397. 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 Uniform Penalties, Interest and Procedures Ordinance shall apply and supplement this article.

Sec. 74-398. Violations; penalty.

Any person violating any of the 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 ~~fined not less than \$200.00 nor more than \$500.00 for each offense.~~ Every day such violation continues shall constitute a separate and distinct offense. 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 penalties due and owing as well as costs incurred for such proceedings.

Effective date: This ordinance shall be in effect immediately upon adoption

Legislative History : 10/14/15 Board of Commissioners referred to the Finance Committee

15-6025

Sponsored by: TONI PRECKWINKLE, President, Cook County Board of Commissioners

PROPOSED ORDINANCE AMENDMENT

TOBACCO TAX ORDINANCE

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74, Taxation, Article XI, Tobacco Tax, Sections 74-430 through 74-450 of the Cook County Code is hereby amended as Follows:

Sec. 74-430. Short Title.

This article may be cited as the “Cook County Tobacco Tax Ordinance”

Sec. 74-431. Definitions.

For the purpose of this Article, whenever any of the following words, terms or definitions are used herein, they shall have the meaning ascribed to them in this Section.

Altered or mutilated tax stamp means any tax stamp on which the identity information is illegible or incomplete.

Chewing tobacco means any leaf tobacco that is not intended to be smoked.

Cigar means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (other than any roll of tobacco which is a cigarette as defined in this Article).

Cigarette means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether such tobacco is flavored, adulterated or mixed with any other ingredient, or not, and the wrapper of which is made of paper or any other substance or material except tobacco.

Concealment means cigarettes, other tobacco products, ~~or~~ cigarette tax stamps, or Consumable Products, in violation of this Article, deliberately hidden to prevent or evade discovery and offered for sale by or in the possession of a wholesale or retail tobacco dealer.

Conspicuous means easily or clearly visible.

Consumable Product means any nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

Consumer means a person who purchases cigarettes, ~~or~~ Other Tobacco Products, or Consumable Products from a wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer, and not for resale purposes.

Counterfeit cigarettes means any cigarette or pack of cigarettes bearing a false, forged, artificial or imitation manufacturing label.

County means the County of Cook.

Department means the Department of Revenue within the Bureau of Finance of the County of Cook.

Director means the Director of the Department of Revenue.

Improperly stamped pack means any packs of cigarettes on which is affixed an altered/mutilated; used or reused; or counterfeit tax stamp.

Large cigar means any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco and weighing more than four pounds per one thousand units.

Little cigar means any roll of tobacco, other than a cigarette, wrapped in leaf tobacco or any substance containing tobacco and not weighing more than four pounds per one thousand units.

Loose cigarettes means cigarettes that are not contained within a sealed container, pack, or package as provided by the manufacturer or as a result of any wholesale or retail tobacco dealer or person breaking or otherwise opening any cigarette package to sell or distribute individual cigarettes or a number of unpackaged cigarettes that is smaller than the minimum package size of 20 cigarettes or any quantity of cigarettes that is smaller than the smallest package distributed by the manufacturer for individual consumer use.

Loose little cigars means little cigars that are not contained within a sealed container, pack or package as provided by the manufacturer.

Manufacturer means any person, other than a Retail Cigarette Manufacturer, who makes or fabricates cigarettes, ~~and/or other~~ tobacco products, and/or Consumable Products and sells them.

Other Tobacco Products includes, but is not limited to, smokeless tobacco, smoking tobacco, large cigars and little cigars, but does not include cigarettes.

Package means the original packet, box, tin or container whatsoever used to contain and to convey cigarettes, ~~or~~ other tobacco products, or Consumable Products to the consumer.

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.

Pipe tobacco includes any tobacco which, because of its appearance, type, packaging or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco to be smoked in a pipe.

Premises means, but is not limited to, buildings, vehicles or any place where cigarette, ~~or~~ Other Tobacco Products, or Consumable Products inventory is possessed, stored or sold.

Purchaser means a buyer of cigarettes, ~~or~~ Other Tobacco Products, or Consumable Products, including, but not limited to, retail tobacco dealers, retail cigarette manufacturers and/or consumers.

Retail cigarette manufacturer means any retail tobacco dealer who provides to consumers tobacco and other material and equipment for the production and sale of cigarettes within the retail cigarette manufacturer's premises in Cook County.

Retail tobacco dealer means any person who engages in the business of selling cigarettes, ~~or~~ other tobacco products, or Consumable Products in the County of Cook to a consumer. A retail tobacco dealer shall not include any person who is licensed by the State of Illinois as a tobacco distributor or wholesaler.–

Roll-your-own tobacco includes any tobacco which, because of its appearance, type, packaging or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes or cigars or for use as wrappers of cigars or cigarettes.

Sale, resale, 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 a valuable consideration.

Smokeless tobacco includes any snuff, snus, chewing tobacco, or other tobacco products not intended to be smoked.

Smoking tobacco includes granulated, plug cut, crimp cut, ready rubbed and other kinds and forms of tobacco prepared in such manner as to be suitable for smoking in a pipe or cigarette.

Snuff means any finely cut, ground or powdered tobacco that is not intended to be smoked.

Snus means any moist tobacco product that is not intended to be smoked.

Stamp means paper or other material with an imprint or decalomania device thereon, of such size, design, color and denominations as may be prescribed and procured by the Department which, when affixed to a package of cigarettes, shall evidence payment of the tax thereon, as provided by this Article.

Tobacco products includes, but is not limited to, any cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snus, snuff or snuff flour; Cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings, and sweeping of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both chewing and smoking; but does not include cigarettes or tobacco purchased for the manufacture of cigarettes by cigarette wholesale tobacco dealers and manufacturers as defined in this Article.

Unit means any division of quantity that may be used as a standard to measure the quantity sold based on length, width, weight such as pounds, ounces and/or grams or volume or some other similar unit of measure, including, but not limited to, per item.

Unstamped pack means any pack of cigarettes on which a Cook County tax stamp is not affixed.

Use means any exercise of a right or power, actual or constructive, and shall include, but is not limited to, the receipt, storage, or any keeping or retention for any length of time, but shall not include possession for sale by a retail tobacco dealer, retail cigarette manufacturer or wholesale tobacco dealer as defined in this Article.

Used or reused tax stamp means any tax stamp previously affixed to a tobacco product, removed and subsequently affixed to any tobacco product purchased, offered for sale or sold by any person, wholesale or retail tobacco dealer; or any removed tax stamp purchased, offered for sale, sold by, or in the possession of a wholesale or retail tobacco dealer.

Vapor product means any nonlighted, noncombustible product that employs a mechanical heating element, battery, or electronic circuit regardless of shape or size and that can be used to produce vapor from nicotine in a solution. The term includes any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. The term does not include any product regulated by the United States Food and Drug Administration under Chapter V of the federal Food, Drug, and Cosmetic Act.

Wholesale tobacco dealer means any person who engages in the business of selling or supplying cigarettes, ~~and/or Other Tobacco Products, and/or Consumable Products~~, who brings or causes to be brought into the County of Cook cigarettes, ~~and/or Other Tobacco Products, and/or Consumable Products~~ for sale or resale to retail tobacco dealers, ~~and/or retail cigarette manufacturers, and/or consumers~~ in or outside the County of Cook. For the purposes of this Article, wholesale tobacco dealers also includes persons or businesses licensed as tobacco distributors, cigarette distributors or wholesalers with the State of Illinois.

Sec. 74-432. - Registration of wholesale, retail tobacco dealers and retail cigarette manufacturer.

Wholesale tobacco dealers, retail tobacco dealers and retail cigarette manufacturers as defined in this Article, shall register with the Department in accordance with policies or procedures prescribed by the Department.

Sec. 74-433. - Tax imposed; cigarettes, other tobacco products; collection; remittance.

- (a) *Cigarette Tax rate.* A tax at the rate of 150 mills or \$0.15 per cigarette is hereby imposed upon all cigarettes possessed for sale and upon the use of all cigarettes within the County of Cook, the ultimate incidence of and liability for payment of said tax to be borne by the consumer of said cigarettes. The tax imposed hereby at the rate of 150 mills or \$0.15 per cigarette shall become in force and effect on March 1, 2013. The tax herein levied shall be in addition to any and all other taxes.
- (b) *Cigarette Tax stamp purchases.* The tax imposed in this Section shall be paid by purchase of tax stamps from the Department, except as otherwise provided in Subsections 74-446(a) and (b) of this Article. The Department shall only sell Cook County cigarette tax stamps to cigarette distributors who are licensed with the State of Illinois. It shall be the duty of every wholesale tobacco dealer, before delivering or causing to be delivered any cigarettes to a retail tobacco dealer in the County of Cook to purchase from the Department a tax stamp for each package of cigarettes and to cancel said stamps prior to the delivery of such cigarettes to any retail tobacco dealer in the County of Cook. Said stamps shall be affixed and cancelled in the manner prescribed by rules and regulations of the Department.
- (c) *Retail cigarette manufacturer tax rate.* A tax at the rate of \$0.15 per cigarette is hereby imposed upon each cigarette sold by a retail cigarette manufacturer. The tax herein levied shall be in addition to any and all other taxes.
- (d) *Other tobacco product tax rate.* A tax at the rates specified in this Section is hereby imposed upon the sale of all Other Tobacco Products within the County of Cook, the ultimate incidence of and liability for payment of said tax to be borne by the Consumer of said Other Tobacco Products. The tax imposed hereby at the rates

listed in Subsection (1) shall come into force and effect on March 1, 2012 and Subsection (2) on January 1, 2013.

(1) A tax at the following rates is hereby imposed upon the sale of the following products through December 31, 2012:

- a. Smoking tobacco: \$0.30 per ounce or fraction thereof.
- b. Smokeless tobacco: \$0.30 per ounce or fraction thereof.
- c. Little cigars: \$0.05 per unit or cigar.
- d. Large cigars: \$0.25 per unit or cigar.

(2) A tax at the following rates is hereby imposed upon the sale of the following products effective January 1, 2013:

- a. Smoking tobacco: \$0.60 per ounce or fraction thereof.
- b. Smokeless tobacco: \$0.60 per ounce or fraction thereof.
- c. Little cigars: \$0.05 per unit or cigar.
- d. Large cigars: \$0.30 per unit or cigar.

(e) Consumable Product tax rate. Effective May 1, 2016, a tax at the rate of \$0.20 per fluid milliliter is hereby imposed upon Consumable Products sold within the County of Cook. All invoices for vapor products issued by manufacturers and/or wholesalers must state the amount of Consumable Products in milliliters. The ultimate incidence of and liability for payment of said tax is to be borne by the Consumer of such Consumable Products.

(f) Wholesale Tobacco Dealer, Retail Tobacco Dealer and Retail Cigarette Manufacturer Tax collection. Any wholesale tobacco dealer shall collect the tax levied by this Article from any Purchaser to whom the sale of said cigarettes, ~~and/or~~ Other Tobacco Products, and/or Consumable Products is made within the County of Cook and shall remit to the County the tax levied by this Article. Any retail tobacco dealer and retail cigarette manufacturer also shall collect the tax from any Consumer to whom the sale of said cigarettes, ~~and/or~~ Other Tobacco Products, and/or Consumable Products is made within the County of Cook. Any such tax shall be collected as a trustee for and on account of the County of Cook. Nothing in this Article shall be construed to impose a tax upon the occupation of wholesale tobacco dealer, retail tobacco dealer, and retail cigarette manufacturer.

(~~g~~) Other Tobacco Products and Consumable Products Tax remittance.

(1) Wholesale Tobacco Dealers. It shall be the duty of every wholesale tobacco dealer to remit the tax due on the sales of Other Tobacco Products and Consumable Products to retail tobacco dealers, ~~and/or~~ retail cigarette manufacturers ~~and/or consumers~~ in Cook County on forms prescribed by the Department, on or before the twentieth day of the month following the month in which the sales of Other Tobacco Products and/or Consumable Products occurred.

(2) Retail Cigarette Manufacturers. It shall be the duty of every retail cigarette manufacturer to remit the tax due on cigarettes produced and sold on the premises, on forms prescribed by the Department, on or before the twentieth day of the month following the month in which the cigarette sales occurred.

- (3) Retail tobacco dealers and/or retail cigarette manufacturers untaxed Other Tobacco Products and Consumable Products. It shall be the duty of every retail tobacco dealer and/or retail cigarette manufacturer that purchases or acquires Other Tobacco Products and/or Consumable Products on which the tax set forth in this Article ~~on Other Tobacco Products~~ has not been paid, to remit the tax due, on forms prescribed by the Department, on or before the twentieth day following the month in which the Other Tobacco Products and/or Consumable Products for which taxes were not paid were sold in Cook County to a consumer.

(gh) Tax included in sales price. It shall be deemed a violation of this Article for a wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer to fail to include the tax imposed in this Article in the sale price of cigarettes, ~~and other tobacco products,~~ and Consumable Products to otherwise absorb such tax. The tax levied in this Article shall be in addition to any and all other taxes.

(hi) *Tax debt owed to County.* The tax required in this Article to be remitted to the County shall constitute a debt owed by any wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer.

Sec. 74-434. - Tax-free sales.

Wholesale tobacco dealers doing business in Cook County shall not pay or collect a tax with respect to cigarettes, ~~and/or other tobacco products,~~ and/or Consumable Products which are otherwise subject to the tax when the cigarettes, ~~and/or other tobacco products,~~ and/or Consumable Products are being sold to the following:

- (a) Another wholesale tobacco dealer holding a valid Cook County tobacco wholesaler's registration certificate; or
- (b) A wholesale tobacco dealer or a retail tobacco dealer when the selling wholesale tobacco dealer, or its agent, delivers the cigarettes, ~~or other tobacco products,~~ and/or Consumable Products to a location outside of Cook County.

Additionally, a wholesale tobacco dealer's sale of other tobacco products and/or Consumable Products to a consumer shall not be taxed so long as the sale occurs outside of Cook County.

Sec. 74-435. - Sales, possession, use or hindrance violations and penalties.

(a) It shall be a violation of this Article to engage in the sale, possession, or use of any cigarettes, ~~and/or other tobacco products,~~ and/or Consumable Products subject to any tax provided by this Article upon which said tax has not been paid or the stamps affixed and cancelled as herein required, including, as described in this Article:

- (1) Counterfeit cigarettes or counterfeit other tobacco products.
- (2) Counterfeit tax stamps.
- (3) Improperly stamped packs.
- (4) Unstamped packs.

(5) Other tobacco products and Consumable Products.

(b) It shall be a violation of this Article for any wholesale tobacco dealer, retail tobacco dealer, or retail cigarette manufacturer to engage in any of the following:

- (1) Utilization of used or reused tax stamps by possessing or offering for sale or resale packs of cigarettes affixed with a used or reused tax stamp.

- (2) Concealment, as described in this Article.
 - (3) Sell or distribute loose cigarettes.
 - (4) Sell cigarettes to any person, other than to another registered Cook County wholesale tobacco dealer, unless each package bears an unmutilated Cook County tax stamp affixed, or where the selling wholesale tobacco dealer, or its agent, delivers the unstamped cigarettes to a location outside Cook County.
 - (5) Hinder or prevent an authorized Department representative from performing an inspection or audit.
- (c) *Prima facie presumption.* The sale, resale or possession by a wholesale tobacco dealer or retail tobacco dealer of altered/mutilated, counterfeit, used or reused tax stamps; or packs of counterfeit, improperly stamped, unstamped cigarettes or loose cigarettes; and the sale or resale, by a retail tobacco dealer or retail cigarette manufacturer, of Other Tobacco Products and/or Consumable Products on which the tax provided by this Article has not been paid shall give rise to the prima facie presumption that the wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer is in violation of the provisions of this Article. Retail tobacco dealers and retail cigarette manufacturers shall be held strictly liable for violations of this ordinance that occur within their premises regardless of the employment status of the actual violator.
- (d) Cigarette pack, tax stamp, loose cigarettes, other tobacco products and hindrance violation penalties.

Violation Type	Penalties Amount
Concealment	
1st Offense	\$2,000.00
2nd and each subsequent offense, an additional	4,000.00
Counterfeit packs of cigarettes	
40 or less	2,000.00
41 or more, per pack	50.00
2nd and each subsequent offense, an additional	4,000.00
Counterfeit tax stamps	
40 or less	2,000.00
41 or more, per stamp	50.00
2nd and each subsequent offense, an additional	4,000.00
Improperly stamped packs	
40 or less	2,000.00
41 or more, per pack	50.00
2nd and each subsequent offense, an additional	2,000.00
Loose cigarettes	
40 or less	1,000.00
40 or more, per cigarette	25.00
2nd and each subsequent offense, an additional	2,000.00

Other tobacco products	
1st offense	1,000.00
2nd and each subsequent offense, an additional	2,000.00
Sales to unregistered wholesalers	
1st offense	2,000.00
2nd and each subsequent offense, an additional	4,000.00
Unstamped packs	
40 packs or less	1,000.00
41 packs or more, per pack	25.00
2nd and each subsequent offense, an additional	2,000.00
Utilization of used or reused tax stamps	
40 or less packs or stamps	2,000.00
41 or more packs or stamps, per pack or stamp	50.00
2nd and each subsequent offense, an additional	4,000.00
Hinder inspection or audit	
1st offense	1,000.00
2nd and each subsequent offense, an additional	2,000.00
<u>Consumable Products</u>	
<u>1st offense</u>	<u>1,000.00</u>
<u>2nd and each subsequent offense, an additional</u>	<u>2,000.00</u>

Sec. 74-436. - Other violation penalties.

- (a) Any person determined to have violated this Article, as amended, excluding the violations described in Section 74-435 (Sales, possession, use or hindrance violations and penalties), shall be subject to a fine in the amount 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 offense 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.
- (b) *Criminal penalties.* Every person who shall falsely make, alter, forge or counterfeit any tax stamp, or who, with intent to defraud the County, shall affix or cause to be affixed any counterfeit or altered stamp to any package of cigarettes, knowing said stamp to be counterfeit or altered, shall be guilty of a Class B misdemeanor, in addition to any other criminal penalties which may be applicable under Illinois or Federal law.
- (c) *Criminal prosecution.* 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. 74-437. - Internet, mail order and outside-of-county purchases.

- (a) *Cigarettes*. With respect to cigarettes purchased over the internet, by mail order or outside the County, if the tax on cigarettes which is imposed pursuant to this Article, as amended, has not been paid by a wholesaler or retailer prior to use or possession of the cigarette by a person within the County of Cook, such person shall be obligated to make payment of the tax directly to the Department. Within 30 days of purchase, such person shall file a return with the Department of Revenue and pay the tax, penalties and interest due under this Article, as amended.
- (b) *Other Tobacco Products and Consumable Products*. With respect to other tobacco products and Consumable Products purchased by a consumer over the internet, by mail order or outside the County, if the tax on such other tobacco products and/or Consumable Products imposed pursuant to this Article has not been collected and/or remitted to the County previously by a wholesale tobacco dealer, retail tobacco dealer or retail tobacco manufacturer prior to the sale of the other tobacco products to the consumer within the County of Cook, such consumer shall be obligated to remit the tax due to the County, on forms prescribed by the Department, on or before the twentieth day following the month in which any such other tobacco products and/or Consumable Products were purchased by the consumer.

Sec. 74-438. - Mutilation of tax stamps.

It is unlawful for any person to mutilate a tax stamp herein required on any package of cigarettes before it is sold by a retail tobacco dealer.

Sec. 74-439. - Books and records to be kept.

- (a) *Wholesale tobacco dealer records of deliveries*. At the time of delivering cigarettes, ~~or Other Tobacco Products, and/or Consumable Products~~ to any person doing business in the County of Cook, it shall be the duty of every wholesale tobacco dealer to make a true triplicate invoice, numbered serially, showing the date of delivery, the number of packages, the number of cigarettes contained therein in each shipment of cigarettes delivered, ~~or amount of Other Tobacco Products delivered, and/or amount, in milliliters, of Consumable Products delivered,~~ and the name of the purchaser to whom delivery is made. The wholesale tobacco dealer shall issue one copy of the invoice to the purchaser, and shall retain one legible copy of the same for the use and inspection of the Department for the period of time as provided for in the Cook County Uniform Penalties, Interest and Procedures Ordinance (Section 34-60 et seq.).
- (b) *Wholesaler and Retailer inventory purchases; sales; reconciliations*. It shall be the duty of every wholesale tobacco dealer and retail tobacco dealer to make or maintain cigarette, ~~and/or Other Tobacco Products, and/or Consumable Products~~ inventory:
 - (1) Purchase order documents, serially numbered, indicating the date; name, address of the person or business from whom the cigarettes, ~~or Other Tobacco Products, and/or Consumable Products~~ were purchased; brand name, type and total number of packages to be purchased in sequential date order, including the amount of Consumable Product in milliliters.
 - (2) Delivery or receipt documents, serially numbered indicating the date; name, address of the person or business to whom the cigarettes, ~~or Other Tobacco Products, and/or Consumable Products~~ were delivered; brand name, type and total number of packs delivered in sequential date order, including the amount of Consumable Product in milliliters.
 - (3) Wholesale tobacco dealer sales documents, serially numbered indicating the date; name, address of the person or business to whom the cigarettes, ~~or Other Tobacco Products, and/or Consumable Products~~ were sold; brand name, type and total number of packs delivered in sequential date order, including the amount of Consumable Product in milliliters.

- (4) Retail tobacco dealer sales documents, indicating in sequential date order, brand name, type and total number of packs or amounts, including the amount of Consumable Product in milliliters, of Other Tobacco Products and/or Consumable Products sold, each day.
 - (5) Retail tobacco dealer cigarette inventory reconciliation, indicating daily, weekly or monthly beginning inventory, purchases, sales and ending inventory, in sequential date order.
 - (6) Retail tobacco dealer monthly wholesaler list, indicating the name and address of each wholesaler from whom cigarette, ~~or~~ Other Tobacco Products, and/or Consumable Products inventory was purchased; brand name; type and total number of packs and total amount of Consumable Product in milliliters purchased from each wholesaler.
- (c) *Taxable and nontaxable transaction books and records.* It shall be the duty of all wholesale tobacco dealers, retail tobacco dealers, retail cigarette manufacturers and persons required by this Article to collect and/or to pay the taxes herein imposed to keep and maintain all books, papers and records related to all transactions taxable and nontaxable under this Article and to make such records available to the Director or a duly authorized representative who has been appointed by the Director, on request for inspection, audit and/or copying during regular business hours. The Department shall promulgate rules and regulations specifying the records that shall be kept by wholesale tobacco dealers, retail tobacco dealers, retail cigarette manufacturers and persons required by this Article to collect and/or pay the taxes herein imposed, and may prescribe any forms appropriate in furtherance of this Article. Books, papers and records which relate to a return filed or required to be filed with the Department shall be kept for the period as provided for in the Cook County Uniform Penalties, Interest and Procedures Ordinance (Section 34-60 et seq.). The burden shall be on the wholesale tobacco dealers, retail tobacco dealers and retail cigarette manufacturers to keep records which verify the basis for any and all transactions which are claimed to be exempt from taxation pursuant to Section 74-434 of this Article.

Sec. 74-440. - Inspections; audits.

Books and records kept in compliance with Section 74-439 of this Article shall be made available to the Department upon request for inspection, audit and/or copying during regular business hours. Representatives of the Department shall be permitted to inspect or audit cigarette, ~~or~~ Other Tobacco Products, and/or Consumable Products inventory in or upon any premises. An audit or inspection may include the physical examination of the cigarettes, packaging, cigarette tax stamps, ~~or~~ Other Tobacco Products, or Consumable Products. It shall be unlawful for any person to prevent, or hinder a duly authorized Department representative from performing the enforcement duties provided in this Article. The Department shall be authorized to promulgate rules and procedures regarding hindrance violations.

Sec. 74-441. - Confiscate; seize; redemption penalty.

- (a) Confiscation; seizure. Whenever the Department or any of its duly authorized representatives shall discover any cigarettes, ~~and/or~~ other tobacco products, and/or Consumable Products subject to any tax provided by this Article upon which said tax has not been paid or the stamps affixed and cancelled as herein required, they are hereby authorized and empowered forthwith to confiscate; seize and take possession of such cigarettes, ~~and/or~~ other tobacco products, and/or Consumable Products together with any vending machine; receptacle; container; vessel or holder in which they are held for sale except for money contained in such vending machine or receptacle, shall thereupon be deemed to be forfeited to the County of Cook.
- (b) Cigarette redemption penalty. The Department shall either destroy the cigarettes seized or may permit the Wholesale Tobacco Dealer from whom the said cigarettes were seized, to redeem the cigarettes and/or any vending machine or receptacle seized therewith, by the payment of a Redemption Penalty equal to 100 percent of the tax due, and including the cost incurred in such proceeding. Such seizure, destruction, and sale, or

redemption shall not be deemed to relieve any person from fine or imprisonment provided herein for violation of any provision of this Article.

Sec. 74-442. - Posting of signs.

Every retail tobacco dealer shall post a sign issued by the Department, indicating the offer to sell, the sale or purchase of unstamped packs or loose cigarettes is unlawful. The sign shall be posted in a conspicuous location, to anyone purchasing cigarettes, at the retailer's place of business.

Sec. 74-443. - Wholesale tobacco dealer quarterly returns.

A sworn quarterly cigarette, ~~and/or~~ other tobacco products, ~~and or~~ Consumable Products Revenue Information return shall be filed by each wholesale tobacco dealer with the Department, on forms prescribed by the Department. The return shall be filed on or before the last day of the first month following the preceding quarter. Every wholesale tobacco dealer required to file a tax return under this Section, who does not file such tax return by its due date, or alternatively does not provide all required information on such tax return, shall be subject to the penalties that are provided for in Section 74-436 of this Article in addition to all other penalties and interest that may be due as provided in the Uniform Penalties, Interest and Procedures Ordinance (Section 34-60 et seq.). Quarterly returns, books and records, papers and original source documents that provide support for the information that is included in the return filed with the Department, shall be kept for the period as provided in the Cook County Uniform Penalties, Interest and Procedures Ordinance (Section 34-60 et seq.).

Sec. 74-444. - Failure to file a return and/or remit tax.

In case of failure to file a tax return and remit this tax when due, the Department may assess penalties and interest as provided for in this Article and/or the Cook County Uniform Penalties, Interest and Procedures Ordinance (Section 34-60 et seq.).

Sec. 74-445. - Authority to sell stamp; agents; credits/refunds.

- (a) *Cigarette tax stamps.* The Department shall contract for and furnish tax stamps of such denominations and quantities as may be necessary for the payment of the tax imposed on cigarettes by this Article, and may, from time to time, provide for the issuance and exclusive use of stamps of a new design and forbid the use of stamps of any other design.
- ~~(b) Agents. The Department may appoint wholesale tobacco dealers of cigarettes and any other person within or without the County as agents to affix stamps to be used in paying the tax hereby imposed on cigarettes and said agent is hereby authorized to appoint other persons in his employ who are to affix said stamps to any cigarettes under his control in the manner prescribed by the rules and regulations promulgated by the Department. Whenever the Department shall sell, consign or deliver to any such agent any such stamps, such agent shall be entitled to receive compensation for his services and expenses in affixing such stamps, and to retain use of the monies to be paid by him for such stamps as a commission. The Department is hereby authorized to prescribe a schedule of commissions not exceeding five percent allowable to such agent for affixing such stamps. Such schedule shall be uniform for each type and denomination of stamp used and may be on a graduated scale with respect to the number of stamps purchased. The Department may, in its discretion, permit an agent to pay for such stamps within 30 days after the date of sale, consignment, or delivery of such stamps to such agent, provided a bond or bank letter of credit satisfactory to the Department and approved as to form and legality by the State's Attorney shall be submitted by said agent to the Department, in an amount equal to the value of such stamps. The Department, with approval from the State's Attorney, shall issue regulations pursuant to Section 74-435 regarding the use of such bonds or bank letters of credit.~~
- (eb) *Credits or Refunds.* The Department may redeem unused tax stamps lawfully on the possession of any person. Any person seeking credit and/or a refund for unused tax stamps, tax stamps affixed to packages of cigarettes

returned to a manufacturer, or for the replacement of tax stamps, must file a claim in writing on forms prescribed by the Department. This form must be filed with the Department no later than 12 months after the month in which the tax remittance or tax payment was made to the Department. The United States post mark date or date of physical/actual receipt is used, by the Department, to determine if a credit or refund is filed timely. No person shall sell or offer for sale any stamp issued under this Article, except by written permission of the Department. The Department may prescribe rules and regulations concerning refunds, sales of stamps and redemption under the provisions of this Article.

Sec. 74-446. - Single state and county stamp and monthly tax return.

- (a) *Single state and county stamp.* Notwithstanding the provisions of Subsection 74-433(b), Section 74-435, and Subsection 74-445(a) of this Article, the Department may provide by regulation that the tax imposed by this Article shall, in the alternative, be collected by means of the issuance and sale of a single tax stamp to be prepared jointly with the Department of Revenue of the State of Illinois (and/or the City Comptroller of the City of Chicago) evidencing the payment of the tax imposed by this Article. Toward that end, the Department may make such arrangements and agreements with the Department of Revenue of the State of Illinois (and/or the City Comptroller of the City of Chicago) as may be required with respect to the method of acquiring, affixing, canceling and the manner of sharing the cost of such joint single tax stamps, and may establish procedures for payment of that portion of the tax revenue collected by the Department of Revenue of the State of Illinois (and/or the City Comptroller of the City of Chicago) due and payable to the County of Cook, in furtherance of the purposes of this Article. In the event such alternative method as herein provided is utilized, no other method of collecting said tax may be used within the relevant jurisdiction; however, all other applicable provisions of this Article shall nevertheless remain in full force and effect.
- (b) *Monthly tax return.* Notwithstanding the provisions of Subsection 74-433(b), Section 74-435, Subsection 74-445(a) and subsection (a) of this Section, the Department may provide by regulation that the tax imposed on cigarettes by this Article, in the alternative, shall be collected by means of the filing of a sworn tax return to be prepared and filed by every wholesale tobacco dealer who sells cigarettes for consumption in the County of Cook. Said return shall be filed on a monthly basis and shall contain the same information required by Subsection 74-445(b) of this Article. Said return shall be filed with the Department on or before the fifteenth day of each month stating such other and further information as may be required by the Department, and said return shall be accompanied by a certified check in the amount of the tax due and payable upon such taxable sales made by said wholesale tobacco dealer in the County of Cook during the preceding month. In the event such alternative method is utilized, no other method of collecting said tax may be used; however, all other applicable provisions of this Article shall remain in full force and effect with the exception of the necessity of filing a quarterly tax return as provided in Section 74-443 of this Article, which shall not be required.

Sec. 74-447. - Rulemaking.

- (a) 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 include, but not be limited to, reasonable procedures consistent with existing practices of wholesale tobacco and retail tobacco dealers for collection and remittance of the tax herein levied.
- ~~(b) The Department may appoint wholesale tobacco dealers and any other person within or without the County of Cook as agents for the tax herein levied. The Department is hereby authorized to grant a commission not exceeding .0045 or .45 percent per cigarette tax stamp sold by the County of Cook to such agent for services rendered in connection with the tax herein levied (in Section 74-433), provided said tax is remitted, in full, by the due date.~~
- (c) Within 30 days after the effective date of this Article every wholesale tobacco dealer doing business in the County of Cook shall file with the Department, on forms prescribed by it, a sworn inventory of cigarettes in

their possession or control on March 1, 2013. With said inventory, the wholesale tobacco dealer shall submit a Department issued tax return and pay to the Cook County Collector the taxes due, including any additional taxes due as a result of this Article, as amended, with respect to all stamped cigarettes which were in such wholesale tobacco dealer's possession on March 1, 2013.

- (d) Within 30 days after the effective date of this Article every retail tobacco dealer doing business in the County of Cook shall file with the Department, on forms prescribed by it, a sworn inventory of cigarettes in their possession or control on March 1, 2013. With said inventory, the retail tobacco dealer shall submit a Department issued tax return and pay to the Cook County Collector the taxes due, including any additional taxes due as a result of this Article, as amended, with respect to all cigarettes which were in such retail tobacco dealer's possession on March 1, 2013.
- (e) Within 30 days after the effective date of this Article every retail tobacco dealer doing business in the County of Cook shall file with the Department, on forms prescribed by it, a sworn inventory of tobacco products in their possession or control on June 1, 2006. With said inventory, the retail tobacco dealer shall pay to the Cook County Collector the taxes due, including any additional taxes due as a result of this Article, as amended, with respect to all tobacco products which were in such retail tobacco dealer's possession on June 1, 2006.
- (f) Every retail tobacco dealer required to file a tax return under this Section who does not file such tax return by its due date, or alternatively does not provide all required information on such tax return, or fails to pay all required tax due computed thereon, shall be subject to a penalty of \$1,000.00 per business location required to be reported on the tax return, in addition to all other penalties and interest that may be due under the provisions of Chapter 34, Article III, Uniform Penalties, Interest and Procedures and Section 74-436 of this Article.

Sec. 74-448. - Transmittal of excess tax collections.

In the event a wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer collects an amount in excess of the tax imposed by this Article, as amended, which amount is purported to be a collection thereof, and said wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer fails to return the said excess amount to the purchaser who paid the tax, the said wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer who collected the tax shall account for and pay over all such excess amounts to the Department along with the tax properly collected.

Sec. 74-449. - Deposit of tax proceeds.

All proceeds resulting from the imposition of the tax under this Article, including penalties, shall be paid to the Department. The Department shall direct every dollar collected from the 2013 increase in the rate of the Home Rule Tobacco Tax to be deposited into the funds of the Cook County Health and Hospitals System for Fiscal Year 2013 as approved by the Budget Director. Deposit of tax proceeds following Fiscal Year 2013 shall be deposited into various funds and/or accounts as prescribed by the Budget Director.

Sec. 74-450. - Application of uniform penalties, interest and procedures ordinance.

Whenever not inconsistent with the provision of this Article or whenever this Article is silent, the provisions of the uniform penalties, interest and procedures ordinance, Article III, Chapter 34 of the Cook County Code of Ordinances shall apply and supplement this Article.

Effective date: This ordinance shall be in effect immediately upon adoption

Legislative History : 10/14/15 Board of Commissionersreferred to the Finance Committee

15-6279

Sponsored by: TONI PRECKWINKLE, President, Cook County Board of Commissioners

PROPOSED INTERGOVERNMENTAL AGREEMENT

Department: Cook County - Office of the President

Other Part(ies): County Officers' and Employees' Annuity and Benefit Fund of Cook County (the "Pension Fund")

Request: Authorization for the Cook County Board President to enter into and execute an Intergovernmental Agreement with the Pension Fund. The purpose of this Agreement is to assist in the long-term fiscal sustainability of the Cook County Pension Fund by establishing a mechanism by which the County can disburse to the Pension Fund additional funding in FY 2016, independent and in addition to such sum as is provided for in Section 9-169 of the Illinois Pension Code (40 ILCS 5/9-169).

Goods or Services: N/A

Agreement Number(s): N/A

Agreement Period: Effective upon execution and valid through 11/30/2016

Fiscal Impact: \$270,526,000.00

Accounts: 490-818

Summary: The proposed Intergovernmental Agreement ("IGA") with the Pension Fund for FY 2016 will authorize the Chief Financial Officer to disburse \$270,526,000.00 in additional funds to the Pension Fund in accordance with the payment schedule provided in the agreement. The additional funds provided herein for FY2016 are separate and apart from the County's contribution to the Fund as provided in Section 9-169 of the Illinois Pension Code (40 ILCS 5/9-169). The disbursement of such additional funds will be contingent upon inclusion and passage of the County's 2016 annual appropriation bill. Per the IGA, the Pension Fund has also agreed to provide the County Board President and Commissioners, on or before 6/15/2016, a written report containing information as is associated with the Pension Fund's fiscal position, the annual cost and trends associated with benefit payments, investment return performance relative to benchmarks for similarly situated public pension funds and such other information designated by the Pension Fund.

Legislative History : 10/28/15 Board of Commissioners referred to the Finance Committee

15-6468

Sponsored by: TONI PRECKWINKLE, President, RICHARD R. BOYKIN, JERRY BUTLER, JOHN P. DALEY, JESÚS G. GARCÍA, STANLEY MOORE, DEBORAH SIMS, ROBERT STEELE and JEFFREY R. TOBOLSKI, County Commissioners

PROPOSED ORDINANCE

HOTEL ACCOMMODATIONS TAX

NOW THEREFORE BE IT ORDAINED, by the Cook County Board of Commissioners that Chapter 74 - Taxation, Article XXI. Hotel Accommodations Tax, Section 74-800 through 74-807 be enacted as follows:

Article XXI. Hotel Accommodations Tax

Sec. 74-800. Short title.

This article shall be known and may be cited as the Cook County Hotel Accommodations Tax Ordinance and the tax herein imposed shall be known as the Cook County Hotel Accommodations Tax.

Sec. 74-801. Definitions.

For the purpose of this article, whenever any of the following words, terms or definitions are used herein, they shall have the meaning ascribed in this section:

County means the County of Cook.

Department means the Department of Revenue of the County of Cook.

Director means the Director of the Department of Revenue.

Gross rental or leasing charge means the gross amount of consideration for the use or privilege of using hotel accommodations in Cook County, valued in money, whether received in money or otherwise, including cash, credits, property and services, determined without any deduction for costs or expenses whatsoever, but not including charges that are added to the charge or fee on account of the tax imposed by this article or on account of any other tax imposed on the charge or fee. Gross rental or leasing charge shall exclude separately stated optional charges not for the use or privilege of using hotel accommodations.

Hotel accommodations means, except as otherwise provided in this paragraph, a room or rooms in any building or structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment hotel, lodging house, bed-and-breakfast establishment, dormitory or similar place, where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, whether with or without meals. Hotel accommodations shall not include (1) an accommodation where the person renting or leasing as the lessee occupies the accommodation as his domicile and permanent residence; or (2) any temporary accommodation provided in any building or structure owned or operated, directly or indirectly, by or on behalf of a not-for-profit medical institution, hospital, or allied educational institution.

Operator means any person who has the right to rent or lease hotel accommodations to the public for consideration or who, directly or indirectly, receives or collects the price, charge or rent paid for the rental or lease of hotel accommodations. This term includes, but is not limited to, persons engaged in the business of selling or reselling to the public the right to occupy hotel accommodations, whether on-line, in person or otherwise. The term also includes persons engaged in the business of facilitating the rental or lease of hotel accommodations for consideration, whether on-line, in person or otherwise.

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.

Sec. 74-802. Tax imposed.

(a) Effective May 1, 2016, a tax is hereby imposed on the use of any hotel accommodations in Cook County at the rate of one percent (1%) of the gross rental or leasing charge. The tax is to be paid by the lessee or tenant of any hotel accommodations, and nothing in this article shall be construed to impose a tax upon the occupation of renting, leasing or letting hotel accommodations.

(b) The ultimate incidence of and liability for payment of the tax levied in this article is to be borne by the lessee or tenant of such hotel accommodations.

(c) It shall be deemed a violation of this article for any owner, manager or operator to fail to include the tax imposed in this article in the price of the hotel accommodations to otherwise absorb the tax.

(d) The tax levied in this article shall be collected by the owner, manager or operator of hotel accommodations in Cook County and remitted to Cook County.

(e) Any owner, manager or operator responsible to remit the tax levied by this article to the Department, shall collect the tax from the lessee or tenant when collecting the price, charge or rent to which it applies. Every lessee or tenant shall be given a bill, invoice or receipt or other statement of memorandum of the price, charge or rent payable upon which the hotel tax shall be stated, charged and shown separately. The tax shall be paid to the owner, manager or operator as trustee for and on behalf of the County.

(f) 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. 74-803. Operator registration and remittance.

(a) Every owner, manager or operator of hotel accommodations in Cook 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 providing hotel accommodations in the County.

(b) Every owner, manager or operator of hotel accommodations in Cook County shall file each month with the Department a sworn tax return, 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 return shall show the tax receipts received with respect to hotel accommodation space rented or leased during the preceding monthly period and shall be accompanied by a remittance of the appropriate amount of applicable tax. The remittance shall be made payable to the County Collector. Registered owners, managers and operators must file a monthly return even if no tax is due.

(c) The tax required in this article to be collected by any owner, manager or operator pursuant to this article shall constitute a debt owed by the operator to the County.

Sec. 74-804. Books and records to be kept.

(a) It shall be the duty of every owner, manager or operator of hotel accommodations in the County to keep and maintain accurate books, papers and records showing the prices, rents or charges made or charged, and occupancies taxable under this ordinance. Such books and records must be made available to the Department on request for inspection, audit and/or copying during regular business hours.

(b) Books, papers and records which relate to a return filed or required to be filed with the Department shall be kept for a period as provided for in Chapter 34, Article III, Uniform Penalties, Interest and Procedures Ordinance.

Sec. 74-805. Violations and penalties.

Any violation of this article, as amended, shall be considered unlawful. Any person determined to have violated 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/or penalties due and owing as well as costs incurred for such proceeding.

Sec. 74-806. 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 Uniform Penalties, Interest and Procedures Ordinance, Article III, Chapter 34 of the Cook County Code of Ordinances shall apply and supplement this article.

Sec. 74-807. Rulemaking.

The Department is authorized to adopt, promulgate and enforce reasonable rules, definitions and regulations pertaining to the interpretation, collection, administration and enforcement of this article. Such rules, definitions, and regulations shall include, but not be limited to, reasonable procedures consistent with existing practices in the industry for collection and remittance of the tax levied in this article upon the user of hotel accommodations.

Effective date: This ordinance shall be in effect and in full force upon its passage.

Legislative History : 11/9/15 Board of Commissioners referred to the Finance Committee

15-6469

Sponsored by: RICHARD R. BOYKIN, County Commissioner, and TONI PRECKWINKLE, President

PROPOSED ORDINANCE AMENDMENT

FIREARM AND FIREARM AMMUNITION TAX

NOW THEREFORE BE IT ORDAINED, by the Cook County Board of Commissioners that Chapter 74 - Taxation, Article XX. Firearm Tax, Section 74-665 through 74-676 be amended as follows:

ARTICLE XX. - FIREARM AND FIREARM AMMUNITION TAX

Sec. 74-665. - Short title.

This Article shall be known and may be cited as the "Cook County Firearm and Firearm Ammunition Tax Ordinance."

Sec. 74-666. - 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:

Firearm shall have the same meaning as set forth in the Illinois Firearm Owners Identification Act, 430 ILCS 65/1.1, or any successor statute.

Firearm ammunition shall have the same meaning as set forth in the Illinois Firearm Owners Identification Card Act, 430 ILCS 65/1.1, or any successor statute.

Centerfire ammunition means firearm ammunition that is characterized by a primer in the center of the base of the cartridge, commonly used in rifles, pistols and revolvers.

Department means the Department of Revenue in the Bureau of Finance of Cook County.

Director means the Director of the Department of Revenue.

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

Purchaser means any person who purchases a firearm or firearm ammunition in a retail purchase in the county.

Retail dealer means any person who engages in the business of selling firearms or firearm ammunition on a retail level in the county or to a person in the county.

Retail purchase means any transaction in which a person in the county acquires ownership by tendering consideration on a retail level.

Rimfire ammunition means firearm ammunition that is characterized by a primer that completely encircles the rim of the cartridge, including, but not limited to .22 caliber ammunition.

Sheriff means the Sheriff's Office of Cook County, Illinois.

Sec. 74-667. - Registration.

Any retail dealer as defined in this article shall register with the Department in the form and manner as prescribed by the Department. Policies, rules and procedures for the registration process and forms shall be prescribed by the Department.

Sec. 74-668. - Tax imposed, rates.

(a) *Firearm Tax Rate.* A tax is hereby imposed on the retail purchase of a firearm as defined in this Article in the amount of \$25.00 for each firearm purchased.

(b) *Firearm Ammunition Tax Rate.* Effective June 1, 2016 a tax is hereby imposed on the retail purchase of firearm ammunition as defined in this article at the following rates:

(1) Centerfire ammunition shall be taxed at a rate of \$0.05 per cartridge.

(2) Rimfire ammunition shall be taxed at a rate of \$0.01 per cartridge.

(c) Tax Included in Sales Price. It shall be deemed a violation of this Article for a retail dealer to fail to include the tax imposed in this Article in the sale price of firearms and/or firearm ammunition to otherwise absorb such tax. The tax levied in this article shall be imposed in addition to all other taxes imposed by the County of Cook, the State of Illinois, or any municipal corporation or political subdivision of any of the foregoing.

Sec. 74-669. - Tax-exempt purchases and refunds.

(a) Notwithstanding any other provision of this article, in accordance with rules that shall be promulgated by the department in regards to tax exempt purchases, retail dealers shall not collect the firearm and/or firearm ammunition tax when the firearm and/or firearm ammunition is being sold to the following:

(1) An office, division, or agency of the United States, the State of Illinois, or any municipal

corporation or political subdivision, including the Armed Forces of the United States or National Guard.

- (2) A bona fide veterans organization which receive firearms and/or firearm ammunition directly from the Armed Forces of the United States and uses said firearms and/or firearm ammunition strictly and solely for ceremonial purposes ~~with blank ammunition~~.
- (3) Any active sworn law enforcement officer purchasing a firearm and/or firearm ammunition for official or training related purposes presenting an official law enforcement identification card at the time of purchase.

(b) In accordance with rules to be promulgated by the department, an active member of the Armed Forces of the United States, National Guard or deputized law enforcement officer may apply for a refund from the department for the tax paid on a firearm and/or firearm ammunition that was purchased for official use or training related purposes.

(c) Notwithstanding any other provision in this Article, in accordance with rules that shall be promulgated by the department in regards to tax exempt purchase, retail dealers shall not collect firearm ammunition tax on blank ammunition.

Sec. 74-670. - Collection and remittance.

(a) *Tax Collection.* Any retail dealer shall collect the taxes imposed by this Article from any purchaser to whom the sale of said firearms and/or firearm ammunition is made within the County of Cook and shall remit to the Department the tax levied by this Article.

(b) *Tax Remittance.* It shall be the duty of every retail dealer to remit the tax due on the sales of firearms and/or firearm ammunition purchased in Cook County, on forms prescribed by the Department, on or before the 20th day of the month following the month in which the firearm and/or firearm ammunition sale occurred on a form and in the manner required by the department.

(c) If for any reason a retailer dealer fails to collect the tax imposed by this article from the purchaser, the purchaser shall file a return and pay the tax directly to the department, on or before the date required by Subsection (b) of this Section.

Sec. 74-671. - Violations and penalties.

(a) It shall be a violation of this Article for any retail dealer to sell firearms and/or firearm ammunition without collecting and remitting the tax imposed in this Article.

b) It shall be a violation of this Article for any retail dealer fail to keep books and records as required in this Article.

(c) It shall be a violation of this Article for any purchaser to fail to remit the tax imposed in this Article when not collected by the retail dealer.

(d) Any person determined to have violated this Article, shall be subject to a fine in the amount 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 offense 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.

Sec. 74-672. - Required books and records.

Every person who is subject to this tax shall keep and maintain accurate and complete documents, books, and records of each transaction or activity subject to or exempted by this ordinance, from start to complete, including all original source documents. All such books and records shall be kept as provided in Chapter 34, Article III, of the Uniform Penalties, Interest, and Procedures Ordinance, and shall, at all reasonable times during normal business hours, be open to inspection, audit, or copying by the department and its agents.

Sec. 74-673. - Inspection; audits.

Books and records kept in compliance with this Article shall be made available to the Department upon request for inspection, audit and/or copying during regular business hours. Representatives of the Department shall be permitted to inspect or audit firearm and/or firearm ammunition inventory in or upon any premises. It shall be unlawful for any person to prevent, or hinder a duly authorized Department representative from performing the enforcement duties provided in this Article.

Sec. 74-674. - 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 Uniform Penalties, Interest, and Procedures Ordinance, Chapter 34, Article III, of the Cook County Code of Ordinances, shall apply to and supplement this Article.

Sec. 74-675. - Rulemaking; policies, procedures, rules, forms.


The department may promulgate policies, procedures, rules, definitions and forms to carry out the duties imposed by this Article as well as pertaining to the administration and enforcement of this Article.

Sec. 74-676. - Enforcement, department and sheriff.

The department is authorized to enforce this Article, and the Sheriff is authorized to assist the department in said enforcement.

Effective date: This ordinance shall be in effect immediately upon passage.

Legislative History: 11/9/15 Board of Commissioners referred to the Finance Committee


Secretary

Chairman:	Daley
Vice-Chairman:	Sims
Members:	Committee of the Whole