



**Board of Commissioners of Cook County**

**Minutes of the Finance Committee**

**PUBLIC HEARING AND COMMITTEE MEETING NOTICE AND AGENDA**

**Wednesday, May 11, 2016**

**9:00 AM**

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

**ATTENDANCE**

**Present:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

**PUBLIC TESTIMONY**

**Chairman Daley asked the Secretary to the Board to call upon the registered public speakers, in accordance with Cook County Code.**

- 1. George Blakemore, Concerned Citizen**
- 2. Laura Morgan, Grassroots Movement for Social Emotional Learning**
- 3. Elise Houren, Director, Chicagoland Chamber of Commerce**
- 4. Bona Heinsohn, Director Cook County Farm Bureau**

**16-1366**

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

**PROPOSED ORDINANCE AMENDMENT**

**ALCOHOLIC BEVERAGE TAX**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article IX. Alcoholic Beverage Tax, Sections 74-354, 74-356, 74-360 and 74-362 of the Cook County Code is hereby amended as Follows:

**Sec. 74-354. - Wholesaler and retailer registration**

(a) Any wholesaler who engages in the business of selling alcoholic beverages in the County must register with the Department, in accordance with procedures prescribed by the Department prior to engaging in the business of supplying or selling alcoholic beverages for resale, use or consumption in the County.

(b) Wholesale alcoholic beverage dealers shall file each month with the Department a report of sales of alcoholic beverages in such form as prescribed and furnished by the Department. Such report of sales must be mailed in sufficient time to be postmarked on or before the ~~15~~ 20th day from the last day of the month for which

the return is due. Each report of sales of alcoholic beverages shall be accompanied by a remittance of the appropriate amount of tax applicable to the sales reported. The remittance shall be made payable to the County Collector. Registered wholesale alcoholic beverage dealers must file a monthly return even if no tax is due.

(c) Wholesale and retail alcoholic beverage dealers shall file an annual informational return by March 20th for the previous calendar year; the first annual informational return will be due March 20, 2018. Wholesalers must list the entities they sold alcoholic beverages to along with the types and amounts of alcoholic beverages sold. Retailers must list the entities they purchased alcoholic beverages from along with the types and amounts of alcoholic beverages purchased. Such return must be filed on a form prescribed and furnished by the Department.

(de) A retail alcoholic beverages dealer who receives alcoholic beverages upon which no tax has been collected by the distributor or supplier shall remit the tax directly to the Department on or before the 20th day of the month following the month in which the alcoholic beverages were received within 30 days of the receipt of such alcoholic beverages.

(ed) The tax required in this Article to be collected by any wholesale alcoholic beverages dealer pursuant to this Article shall constitute a debt owed by the wholesale alcoholic beverages dealer to the County.

(fe) Retailers shall register and provide information as provided by rules and regulations promulgated by the Department of Revenue.

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**Sec. 74-356. - Documents; books; records.**

(a) It shall be the duty of every wholesale and retail alcoholic beverage dealer to keep and maintain accurate documents, books and records used to process taxable and nontaxable sales and purchase transactions from start to completion, and make them available for inspection, audit, or copying during regular business hours.

(b) Documents, books and records shall be kept, by wholesale and retail alcoholic beverages dealers, for the taxable time period as listed in the statute of limitations section of the Uniform Penalties, Interest and Procedures Ordinance, as provided in Cook Code of Ordinances, Article III Sec. 34-60 et seq., Uniform Penalties, Interest and Procedures Ordinance.

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**Sec. 74-360. - ~~Additional to other taxes~~ Reserved.**

~~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.~~

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**Sec. 74-362. - Rulemaking.**

~~(a) The Department shall prescribe reasonable rules, definitions, and regulations 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 in the wholesale and retail liquor industry, for collection and remittance of the tax levied in this Article upon the consumer of alcoholic beverages.~~

~~(b) The Department may appoint wholesale dealers of alcoholic beverages and any other person within or without the County as agents for the tax herein levied. The Department is hereby authorized to grant a commission not exceeding one half of one percent of the tax due to the County to such agent for services rendered in connection with the tax levied in this Article, provided the tax is remitted, in full, by the due date.~~

~~(c) If any business selling liquor at the retail level shall receive liquor upon which no tax has been collected by the distributor or supplier, then the retail operator shall collect such tax and remit it directly to the Department within 30 days of the receipt of such liquor~~

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-1369**

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

### **PROPOSED ORDINANCE AMENDMENT**

#### **GAMBLING MACHINE TAX**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article XVIII. Gambling Machine Tax, Sections 74-628, 74-634, 74-635 and 74-638of the Cook County Code is hereby amended as Follows:

#### **Sec. 74-628. - Tax imposed.**

A tax is imposed upon each Gambling Machine that is displayed by a person for play or operation by the public in Cook County, as follows:

(a) Tax Rate on Gambling Device. For each 12-month period as established by the director, an annual tax in the amount of \$1,000.00 is imposed upon each Gambling Device; said tax shall be paid by the owner and shall be applicable for Gambling Devices that are displayed by a person for play or operation by the public in Cook County. The tax imposed may be made pro-ratable by the director under such policies, procedures, rules, and forms as may be promulgated by said director and shall be paid by the owner of the machine.

(b) Tax Rate on Video Gaming Terminal. For each 12-month period as established by the director, an annual tax in the amount of \$200.00 is imposed upon each Video Gaming Terminal; said tax shall be paid by the owner and shall be applicable for Video Gaming Terminals that are displayed by a person for play or operation by the public in Cook County. The tax imposed may be made pro-ratable by the director under such policies, procedures, rules, and forms as may be promulgated by said director and shall be paid by the owner of the video gaming terminal.

(c) Additional Taxes. The taxes 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 of any of the foregoing.

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#### **Sec. 74-634. - Violations, penalties.**

(a) Any owner subject to this tax who remits the tax after the start of the 12-month period established by the director shall pay a late fee equal to the amount of the tax due.

~~(b) It shall be unlawful for any owner or person to display a Gambling Machine for play or operation by the public within the County unless (1) the owner of the Gambling Machine and person displaying the Gambling Machine for play or operation by the public within the County has registered with the department; (2) the tax has been paid on said Gambling Machine and is evidenced by the tax emblem conspicuously affixed to the Gambling Machine; and (3) the Gambling Machine is plainly labeled with the name, address and telephone number of the owner of the Gambling Machine. If at any time a Gambling Machine does not bear the emblem required by this Article, the person displaying the Gambling Machine, to be played or operated by the public at any place owned or leased by such person and the owner shall be jointly and severally liable for a fine of \$1,000.00 for the first offense relative to the Gambling Machine, and \$2,000.00 for any subsequent offense relative to any Gambling Machine. Every day such violation continues shall constitute a separate and distinct offense.~~

~~(c) It shall be unlawful for any owner or person to take, destroy, remove, alter, deface, mutilate, obliterate, or make illegible the tax emblem provided for in this Section during the year for which it was issued, or make available to the public for play or operation in the county a Gambling Machine if the tax emblem or label has been taken, destroyed, removed, altered, defaced, mutilated, obliterated, or has become illegible. Any person or owner who, without authority, takes, destroys, removes, alters, defaces, mutilates, obliterates, or makes illegible the emblem provided for in this Article, shall be fined \$1,000.00 for each offense. Every such unauthorized taking, destruction, removal, obliteration, or making illegible of said emblem shall constitute a separate offense.~~

(d) Any owner, or person, or member determined to have violated this Article, as amended, shall be subject to a fine of \$1,000.00 for the first offense, and a fine of \$2,000.00 for the second and each subsequent offense. Separate and distinct offenses shall be regarded as committed each day upon which said person shall continue any such violation, or permit any such violation to exist after notification thereof. It shall be deemed a violation of this Article for any person to knowingly furnish false or inaccurate information to the Department. Criminal prosecution pursuant to this Article shall in no way bar the right of the County to institute civil proceedings to recover delinquent taxes, interest and penalty due and owing as well as costs incurred for such proceeding.

**Sec. 74-635. - 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 this ordinance, from start to complete, including all original source documents. All such books and records shall be kept for a period equal to the statute of limitations as identified as provided in Article III, Section 34-60 of the Uniform Penalties, Interest, and Procedures Ordinance, Section 34-60, et seq., and shall, at all reasonable times during normal business hours, be open to inspection, audit, or copying by the department and its agents.

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**Sec. 74-638. - Application of uniform penalties, interest, and procedures ordinance.**

Whenever not inconsistent with the provisions of this Article, ~~of~~ 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 to and supplement this Article.

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## 16-1372

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

### PROPOSED ORDINANCE AMENDMENT

#### GASOLINE AND DIESEL FUEL TAX

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article XII. Gasoline and Diesel Fuel Tax, Sections 74-477, 74-479 and 74-482 is hereby amended as Follows:

##### **Sec. 74-477. - Books and records.**

Every gas distributor and retailer dealer as defined in this Article, shall keep accurate books and records of its beginning inventory, purchases, sales and ending inventory including original source documents and books of entry denoting the transactions that gave rise, or may have given rise, to any tax liability, exemption or deduction or defense to liability. Books and records and other papers relating to transactions which occurred during any period with respect to which the Department is authorized to issue notices of tax liability as provided in Chapter 34, Article III, Uniform Penalties, Interest and Procedures Ordinance shall be preserved until the expiration of such period unless the Department, in writing, authorizes their destruction or disposal prior to such expiration. All those books and records shall be kept in the English language and, at all times during business hours, shall be subject to and available for inspection or copying by the Department.

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##### **Sec. 74-479. - Municipality and township tax rebate.**

Any municipality or township with its primary administrative office located in the County shall be entitled to a tax rebate. Such rebate shall be paid on an annual basis. Claims for such reimbursement must be made within six months from the end of each calendar year, upon forms prescribed by the Department, and shall only address purchases made in the previous calendar year. The Department shall determine the proof required to substantiate the rebate by rule.

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##### **Sec. 74-482. - 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 distributors, suppliers and retail dealers for collection and remittance of the tax herein levied upon the purchaser of gasoline or diesel fuel.

~~(b) The Department may appoint distributors or suppliers and any other person within or without the County as agents for the tax levied in this Article. The Department is hereby authorized to grant a commission not exceeding one half of one percent of the tax due to the County to such agent for services rendered in connection with the tax levied in this Article, provided the tax is remitted, in full, by the due date.~~

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

**A motion was made by Commissioner Suffredin, seconded by Commissioner García, to waive the rules. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

**A motion was made by Commissioner Suffredin, seconded by Commissioner García, that this Ordinance Amendment be accepted as substituted. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

**PROPOSED SUBSTITUTE TO FILE 16-1372**

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

**PROPOSED ORDINANCE AMENDMENT**

**GASOLINE AND DIESEL FUEL TAX**

**NOW THEREFORE BE IT ORDAINED**, by the Cook County Board of Commissioners that Chapter 74 – Taxation, Article XII. Gasoline and Diesel Fuel Tax, Sections 74-477, 74-479 and 74-482 be amended as follows:

**ARTICLE XII. - GASOLINE AND DIESEL FUEL TAX**

**Sec. 74-477. - Books and records.**

Every gas distributor and retailer dealer as defined in this Article, shall keep accurate books and records of its beginning inventory, purchases, sales and ending inventory including original source documents and books of entry denoting the transactions that gave rise, or may have given rise, to any tax liability, exemption or deduction or defense to liability. Books and records and other papers relating to transactions which occurred during any period with respect to which the Department is authorized to issue notices of tax liability as provided in Chapter 34, Article III, Uniform Penalties, Interest and Procedures Ordinance shall be preserved until the expiration of such period unless the Department, in writing, authorizes their destruction or disposal prior to such expiration. All those books and records shall be kept in the English language and, at all times during business hours, shall be subject to and available for inspection or copying by the Department.

\* \* \*

**Sec. 74-479. - Municipality and township tax rebate.**

Any municipality or township with its primary administrative office located in the County shall be entitled to a tax rebate. Such rebate shall be paid on an annual basis. Claims for such reimbursement must be made within six months from the end of each calendar year, upon forms prescribed by the Department, and shall only address purchases made in the previous calendar year. The Department shall determine the proof required to substantiate the rebate by rule.

**Sec. 74-480. - Tax rebate late filing penalty.**

Any request for gas tax rebate received by the Department, postmarked or physically received after the due date, June 30 of the year following the calendar year for which the tax rebate is being requested, but before December 31 of the year following the calendar year for which the tax rebate is being requested, shall be assessed a penalty equal to ten percent of the total amount of the tax rebate due or owed by the Department to the municipality or township. The Department will deny as untimely any request for gas tax rebate received by the Department after December 31 of the year immediately following the calendar year for which the tax rebate is being requested.

**Sec. 74-482. - 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 distributors, suppliers and retail dealers for collection and remittance of the tax herein levied upon the purchaser of gasoline or diesel fuel.

~~(b) The Department may appoint distributors or suppliers and any other person within or without the County as agents for the tax levied in this Article. The Department is hereby authorized to grant a commission not exceeding one half of one percent of the tax due to the County to such agent for services rendered in connection with the tax levied in this Article, provided the tax is remitted, in full, by the due date.~~

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval as substituted. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## 16-1373

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

### PROPOSED ORDINANCE AMENDMENT

#### SALES OF NEW MOTOR VEHICLES AND TRAILERS TAX

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article VI. Sales of New Motor Vehicles and Trailers Tax, Sections 74-628, 74-634, 74-635 and 74-638 of the Cook County Code is hereby amended as Follows:

**Sec. 74-234. - New motor vehicle dealer registration.**

New motor vehicle dealers, as described in this Article, shall register with the Department, in accordance with procedures prescribed by the Department, prior to commencing business. Application for registration shall be made on forms prescribed by the Department. It shall be unlawful to conduct business in Cook County as a new motor vehicle dealer prior to obtaining a Cook County Department of Revenue Sales of New Motor Vehicle certificate of tax registration.

**Sec. 74-235. - Tax remittance and returns.**

(a) Every new motor vehicle dealer shall file, on forms prescribed by the Department, a remittance return and remit all taxes due on or before the 20th day of the month following the month for which the tax is due. Every new motor vehicle dealer shall file a monthly return even when no tax is due.

- (b) Final monthly return; remittance. Any new motor vehicle who ceases to engage in the business of making retail sales of new motor vehicles shall file a final return under this Article with the Department not later than one calendar month after making the last sale at retail. All taxes due to be paid to the County shall be remitted to the County at the time the final return is filed with the Department.
- ~~(c) New motor vehicle dealer Annual Return. New motor vehicle dealers shall file an annual information return, on forms prescribed by the Department, on the last day of the month following the year for which the return is due. Such annual return shall include a statement of beginning inventory, purchases, sales, ending inventory, and receipts as shown on the retailer's State income tax return. The tax collector's annual return to the Department shall also disclose such additional reasonable information as the Department shall require to enable the Department to determine the accuracy of any periodic return filed by such tax collector as provided by this Section.~~

**Sec. 74-236. - Books and records to be kept.**

It shall be the duty of all new motor vehicle dealers to keep and maintain all books, papers and records related to all transactions taxable or non-taxable under this Article and to make such records available to the Director on request for inspection, audit and/or copying during regular business hours. Books, papers and records which relate to a return filed or required to be filed with the Department shall be kept for ~~a~~ the taxable time period as ~~provided for~~ listed in the statute of limitations section of the Cook County Uniform Penalties, Interest and Procedures Ordinance, Article III, Sec. 34-60 et seq.

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

**16-1374**

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

**PROPOSED ORDINANCE AMENDMENT**

**PARKING LOT AND GARAGE OPERATIONS TAX**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article XIII. Parking Lot and Garage Operations Tax, Sections 74-512 and 74-514) of the Cook County Code is hereby amended as Follows:

**Sec. 74-512. - Tax imposed.**

(a) A tax is imposed upon the use and privilege of parking a motor vehicle in or upon any parking lot or garage in the County. The tax shall be collected by operators and valet parking operators, as described in this Article, from any person who seeks the privilege of occupying space in or upon any parking lot or garage.

(b) Valet Parking Operators are required to collect and remit the tax imposed by this Article, for each motor vehicle parked at a Parking Lot or Garage, as described in this Article; however, if the valet parking operator has a



written agreement with a parking lot or garage operator that designates an amount of consideration paid by the valet parking operator which the parking lot or garage operator remits to the Department as parking lot and garage operations tax, the valet parking operator may take a credit for the amount remitted by the parking lot or garage operator. The valet parking business shall have the burden of proving its entitlement to this credit with books, records and other documentary evidence. ~~the valet parking operator is not required to collect or remit the tax if the Valet Parking Operator pays the tax to the Operator, who shall remit the tax to the Department.~~

(c) Tax rates through August 31, 2013.

(1) The following tax rates imposed upon the use and privilege of parking a motor vehicle in or upon parking lots or garages, except for parking lots and garages in subsection (2), are in effect through August 31, 2013.

Parking Charge or Fee Time Period	Imposed by Operator	Tax Amount
24 hours or less	\$2.00 or less	\$0.00
24 hours or less	\$2.01 to \$4.99	0.50
24 hours or less	\$5.00 to \$11.99	0.75
24 hours or less	\$12.00 or more	1.00
Weekly	\$10.00 or less	0.00
Weekly	\$10.01 to \$24.99	2.50
Weekly	\$25.00 to \$59.99	3.75
Weekly	\$60.00 or more	5.00
Monthly	\$40.00 or less	0.00
Monthly	\$40.01 to \$99.99	10.00
Monthly	\$100.00 to \$239.99	15.00
Monthly	\$240.00 or more	20.00

(2) The following tax rates imposed upon the use and privilege of parking a motor vehicle in or upon parking lots or garages owned by municipalities with populations of 250,000 inhabitants or less are in effect through August 31, 2013.

Parking Charge or Fee Time Period	Imposed by Operator	Tax Amount
24 hours or less	\$3.00 or less	\$0.00
24 hours or less	\$3.01 or \$4.99	0.50
24 hours or less	\$5.00 to \$11.99	0.75
24 hours or less	\$12.00 or more	1.00
Weekly	\$15.00 or less	0.00
Weekly	\$15.01 to \$24.99	2.50
Weekly	\$25.00 to \$59.99	3.75
Weekly	\$60.00 or more	5.00
Monthly	\$60.00 or less	0.00
Monthly	\$60.01 to \$99.99	10.00
Monthly	\$100.00 to \$239.99	15.00
Monthly	\$240.00 or more	20.00

(d) Tax rates effective September 1, 2013.

(1) A tax upon the use or privilege of parking a motor vehicle in or upon parking lots or garages, except for parking lots and garages in subsection (2), is hereby imposed at the rate of six percent of the charge or fee

paid for parking for a 24-hour period or less and nine percent of the charge or fee paid for parking for a weekly or monthly period. This tax shall not apply if the charge or fee paid for parking in such parking lots or garages does not exceed \$2.00 for a 24-hour period or less, \$10.00 for a weekly period or \$40.00 for a monthly period.

(2) A tax upon the use and privilege of parking a motor vehicle in or upon parking lots or garages owned by municipalities with populations of 250,000 inhabitants or less is hereby imposed at the rate of six percent of the charge or fee paid for parking for a 24-hour period or less and nine percent of the charge or fee paid for parking for a weekly or monthly period. This tax shall not apply if the charge or fee paid for parking in such parking lots or garages does not exceed \$3.00 for a 24-hour period or less, \$15.00 for a weekly period or \$60.00 for a monthly period.

(e) The ultimate incidence of and liability for payment of the tax is on the person who seeks the privilege of occupying space in or upon the parking lot or garage.

(f) The tax imposed by this Section shall not apply to:

(1) Residential off-street parking of house or apartment or condominium occupants, wherein an arrangement for parking is provided in the house or apartment lease in a written agreement between the landlord and tenant;

(2) Residential parking provided for condominium occupants pursuant to a written agreement between the condominium association and the owner, occupant or guest of a unit owner, whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking lot or garage; or

(3) To hospital and medical center employees parking at a parking lot or garage where the hospital or medical center is the employer and, as described in this Article, operator.

(g) The amount of the tax due under this Article shall be computed exclusive of any Federal, State or municipal taxes imposed.

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#### **Sec. 74-514. - Maintenance of records.**

(a) It shall be the duty of every operator and valet parking operator to keep accurate and complete books and records to which the Director of Revenue shall, at all times, have full access. These books and records shall include all cash register or other receipts required by this Article, all tickets and voided tags, and a daily sheet for each location showing:

(1) The number of motor vehicles parked in or on each lot or garage, segregated on a daily, weekly, monthly, or other basis, and also segregated by the amount of the charge or fee imposed for parking; and

(2) The actual parking lot or garage tax receipts collected from all parking transactions.

(3) Any other original source documents and books of entry denoting the transactions that gave rise, or may have given rise, to any tax liability, exemption or deduction or defense to liability.

(b) All books and records required by this Section shall be retained for the taxable time period as listed in the statute of limitations section of the Uniform Penalties, Interest and Procedures Ordinance, Article III, Sec. 34-60 et seq. ~~not less than four years after the end of the calendar year in which they are created;~~ provided, however, that an operator on an annual basis may request approval from the Director of Revenue to discard tickets or tags that were issued more than one year earlier, and the Director shall grant approval if the director determines that the operator's books and records satisfy the requirements of this Article.

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

**A motion was made by Commissioner Suffredin, seconded by Commissioner García, to waive the rules. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

**A motion was made by Commissioner Suffredin, seconded by Commissioner García, that this Ordinance Amendment be accepted as substituted. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

#### **PROPOSED SUBSTITUTE TO FILE 16-1374**

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

#### **PROPOSED ORDINANCE AMENDMENT**

#### **PARKING LOT AND GARAGE OPERATIONS TAX**

**NOW THEREFORE BE IT ORDAINED**, by the Cook County Board of Commissioners that Chapter 74 – Taxation, Article XIII. Parking Lot and Garage Operations Tax, Sections 74-512 and 74-514 be amended as follows:

#### **ARTICLE XIII. - PARKING LOT AND GARAGE OPERATIONS TAX**

##### **Sec. 74-512. - Tax imposed.**

(a) A tax is imposed upon the use and privilege of parking a motor vehicle in or upon any parking lot or garage in the County. The tax shall be collected by operators and valet parking operators, as described in this Article, from any person who seeks the privilege of occupying space in or upon any parking lot or garage.

(b) Valet Parking Operators are required to collect and remit the tax imposed by this Article, for each motor vehicle parked at a Parking Lot or Garage, as described in this Article; however, if the valet parking operator has a written agreement with a parking lot or garage operator that designates an amount of consideration paid by the valet parking operator which the parking lot or garage operator remits to the Department as parking lot and garage operations tax, or proof of such tax being paid to the parking lot or garage operator, the valet parking operator may take a credit for the amount remitted by the parking lot or garage operator. The valet parking business shall have the burden of proving its entitlement to this credit with books, records and other documentary evidence. the valet parking operator is not required to collect or remit the tax if the Valet Parking Operator pays the tax to the Operator, who shall remit the tax to the Department.

(c) Tax rates through August 31, 2013.

- (1) The following tax rates imposed upon the use and privilege of parking a motor vehicle in or upon parking lots or garages, except for parking lots and garages in subsection (2), are in effect through August 31, 2013.

Parking Charge or Fee Time Period	Imposed by Operator	Tax Amount
24 hours or less	\$2.00 or less	\$0.00
24 hours or less	\$2.01 to \$4.99	0.50
24 hours or less	\$5.00 to \$11.99	0.75
24 hours or less	\$12.00 or more	1.00
Weekly	\$10.00 or less	0.00
Weekly	\$10.01 to \$24.99	2.50
Weekly	\$25.00 to \$59.99	3.75
Weekly	\$60.00 or more	5.00
Monthly	\$40.00 or less	0.00
Monthly	\$40.01 to \$99.99	10.00
Monthly	\$100.00 to \$239.99	15.00
Monthly	\$240.00 or more	20.00

- (2) The following tax rates imposed upon the use and privilege of parking a motor vehicle in or upon parking lots or garages owned by municipalities with populations of 250,000 inhabitants or less are in effect through August 31, 2013.

Parking Charge or Fee Time Period	Imposed by Operator	Tax Amount
24 hours or less	\$3.00 or less	\$0.00
24 hours or less	\$3.01 or \$4.99	0.50
24 hours or less	\$5.00 to \$11.99	0.75
24 hours or less	\$12.00 or more	1.00
Weekly	\$15.00 or less	0.00
Weekly	\$15.01 to \$24.99	2.50
Weekly	\$25.00 to \$59.99	3.75
Weekly	\$60.00 or more	5.00
Monthly	\$60.00 or less	0.00
Monthly	\$60.01 to \$99.99	10.00
Monthly	\$100.00 to \$239.99	15.00
Monthly	\$240.00 or more	20.00

(d) Tax rates effective September 1, 2013.

- (1) A tax upon the use or privilege of parking a motor vehicle in or upon parking lots or garages, except for parking lots and garages in subsection (2), is hereby imposed at the rate of six percent of the charge or fee paid for parking for a 24-hour period or less and nine percent of the charge or fee paid for parking for a weekly or monthly period. This tax shall not apply if the charge or fee paid for parking in such parking lots or garages does not exceed \$2.00 for a 24-hour period or less, \$10.00 for a weekly period or \$40.00 for a monthly period.
- (2) A tax upon the use and privilege of parking a motor vehicle in or upon parking lots or garages owned by municipalities with populations of 250,000 inhabitants or less is hereby imposed at the rate of six percent of the charge or fee paid for parking for a 24-hour period or less and nine percent of the charge or fee paid for parking for a weekly or monthly period. This tax shall not apply if the charge or fee paid for parking in such parking lots or garages does not exceed \$3.00 for a 24-hour period or less, \$15.00 for a weekly period or \$60.00 for a monthly period.

(e)The ultimate incidence of and liability for payment of the tax is on the person who seeks the privilege of occupying space in or upon the parking lot or garage.

(f) The tax imposed by this Section shall not apply to:

- (1) Residential off-street parking of house or apartment or condominium occupants, wherein an arrangement for parking is provided in the house or apartment lease in a written agreement between the landlord and tenant;
- (2) Residential parking provided for condominium occupants pursuant to a written agreement between the condominium association and the owner, occupant or guest of a unit owner, whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking lot or garage; or
- (3) To hospital and medical center employees parking at a parking lot or garage where the hospital or medical center is the employer and, as described in this Article, operator.

(g)The amount of the tax due under this Article shall be computed exclusive of any Federal, State or municipal taxes imposed.

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**Sec. 74-514. - Maintenance of records.**

(a)It shall be the duty of every operator and valet parking operator to keep accurate and complete books and records to which the Director of Revenue shall, at all times, have full access. These books and records shall include all cash register or other receipts required by this Article, all tickets and voided tags, and a daily sheet for each location showing:

- (1) The number of motor vehicles parked in or on each lot or garage, segregated on a daily, weekly, monthly, or other basis, and also segregated by the amount of the charge or fee imposed for parking; and
- (2) The actual parking lot or garage tax receipts collected from all parking transactions.
- (3) Any other original source documents and books of entry denoting the transactions that gave rise, or may have given rise, to any tax liability, exemption or deduction or defense to liability.

(b)All books and records required by this Section shall be retained for the taxable time period as listed in the statute of limitations section of the Uniform Penalties, Interest and Procedures Ordinance, Article III, Sec. 34-60 et seq. ~~not less than four years after the end of the calendar year in which they are created;~~ provided, however, that an operator on an annual basis may request approval from the Director of Revenue to discard tickets or tags that were issued more than one year earlier, and the Director shall grant approval if the director determines that the operator's books and records satisfy the requirements of this Article.

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval as substituted. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-1375**

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

### **PROPOSED ORDINANCE AMENDMENT**

#### **UNIFORM PENALTIES, INTEREST AND PROCEDURES**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 34 - Finance, Article III. Uniform Penalties, Interest and Procedures, Sections 34-62 and 34-77 of the Cook County Code is hereby amended as Follows:

#### **Sec. 34-62. - Definitions.**

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

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

*Director or Director of Revenue* means the Director of Revenue of the County.

*Franchise fee* means any cable television franchise fee payable to the County pursuant to Chapter 78, Article II, of this Code.

*Hearing officer* means an administrative law officer or administrative law judge appointed by the Director of the Department of Administrative Hearings, to conduct hearings and to make final determination regarding taxpayer or tax collector petitions and protests as to any issue arising under the provisions of this article or under any other ordinance that imposes a fee or tax administered by the Department.

*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.

*Processing Fee* means all costs, incurred by the Department, associated with the Department's effort to search for or obtain information required to process incomplete or incorrect payment documents, remittance forms, tax returns, or other similar documents received from tax collectors, taxpayers or other County debtors.

*Tax* means any sum, other than interest, penalties or fines, payable pursuant to a tax ordinance administered by the Department.

*Tax collector* means any person required to collect and/or remit any tax payable to the Department or who chooses to collect any tax payable to the Department.

*Tax ordinance* means any ordinance passed by the County Board that imposes a fee or tax administered by the Department.

*Tax remittance* means all tax monies collected from taxpayers by a tax collector which are required to be paid to the Department.

*Taxpayer* means any person required to pay any tax and upon whom the legal incidence of the tax is placed.

\* \* \*

**Sec. 34-77. - Statute of limitations.**

(a) Except as otherwise provided in Subsections (b), (c), and (d) of this section, the Director shall not issue any notice of tax determination and assessment for any period more than seven years after the end of the calendar year in which the return for the period was filed with the Department or the end of the calendar year in which the return for the period was due, whichever is later.

(b) No statute of limitations applies if:

- (1) A fraudulent tax return or remittance return was filed;
- (2) No tax return or remittance return was filed;
- (3) No tax payment or tax remittance was paid or if a payment or remittance was made, the amount paid or remitted was less than 75 percent of the tax due; or
- (4) The person agrees to waive the applicable statute of limitations.

(c) If for any tax, during any seven-year period for which the Director may issue a notice of tax determination and assessment, the tax paid or remitted was less than 75 percent of the tax due for that period, no statute of limitations applies to that tax and the Director may issue a notice of tax determination and assessment for any and all past periods.

(d) If an amended return was filed for any tax period, the seven-year period shall commence at the end of the calendar year in which the amended return was filed. ~~However, the Department shall not issue a notice of tax determination more than six years after the original return was filed.~~

(e) This time limitation on the issuance of notices of tax determination and assessment shall apply only to returns filed or payments due after April 1, 1993.

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## 16-1377

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

### PROPOSED ORDINANCE AMENDMENT

#### USE TAX

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article VII. Use Tax, Sections 74-272, 74-273, 74-275 and 74-277 of the Cook County Code is hereby amended as Follows:

#### **Sec. 74-272. Tax imposed, tax rate; collection; purchaser; and tax collector.**

(a)Tax imposed on user. The tax imposed by this Article and the obligation to pay the same is upon the user, as described in this Article.

(b)Tax Rate. Except as provided in Section 74-273, a tax is imposed at the rate of one percent on the selling price of tangible personal property, purchased through a sale at retail, which is titled or registered with an agency of the State of Illinois at location inside Cook County.

(c)Collection; remittance; sales receipt. The tax imposed by this Article shall be collected from the purchaser by the tax collector as defined by Section 74-271, and remitted to the Department as provided in this Article. The tax imposed by this Article shall, when collected, be stated as a distinct item separate and apart from the selling price of tangible personal property; and, the tax collector when collecting the tax shall give to the purchaser a receipt for such tax in the manner and form prescribed by the Department. Such receipt shall be sufficient to relieve the purchaser from further liability for the tax to which such receipt may refer.

(d)Tax paid by Purchaser. Except as provided in Section ~~74-277~~ 273, the purchaser shall pay the tax imposed by this Article to the tax collector.

(e)Tax Collector liable. The tax collector shall be liable to the County for the amount of tax that it is required to collect; and, shall collect the tax from purchasers by adding the tax to the selling price of tangible personal property, when sold for use in the County, in the manner prescribed by this Article and the Department. If any retailer in collecting the amount which purports to constitute use taxes measured by receipts from sales which are subject to tax under this Article, collects more from the purchaser than the actual use tax liability on the transaction, the purchaser shall have a legal right to claim a refund of such amount from such retailer. However, if such amount is not refunded to the purchaser for any reason, the retailer is liable to pay such amount to the Department.

#### **Sec. 74-273. - Purchaser paying tax directly to department.**

(a)When tangible personal property is purchased from a retailer for use in the County by a purchaser or user subject to the tax imposed by this Article, and who did not pay the tax imposed by this Article to the retailer, and who did not file returns with the Department as a retailer under Section 74-276, such purchaser or user shall, by the ~~last~~ 20<sup>th</sup> day of calendar month following the month in which such purchase was made, file and return with the Department and pay the tax due under this Article.

(b)When tangible personal property is purchased by a lessor, which is subject to a lease for one year or longer, executed or in effect at the time of purchase, to an interstate carrier for hire, where such lessor did not pay the tax imposed by this Article to the retailer at the time of purchase, such lessor shall, by the last day of the calendar month in which such property reverts to the use of such lessor, file a return with the Department and pay the tax imposed by this Article upon the fair market value of such property on the date of reversion.



(c)When a purchaser or user pays the tax imposed by this Article directly to the Department, the Department shall issue an appropriate receipt to such purchaser or user showing that the tax has been paid to the Department. Such receipt shall be sufficient to relieve the purchaser or user from further liability for the tax to which the receipt may refer.

(d)A purchaser or user who is liable to pay use tax directly to the Department only occasionally and not on a frequent recurring basis, and who is not required to file returns with the Department as a retailer under Section 74-276 concerning the filing of regular monthly tax returns and all provisions concerning the requirements of registrants to post bond or other security with the Department shall apply to such purchasers or users.

\* \* \*

**Sec. 74-275. - Books and records to be kept.**

It shall be the duty of all retailers, tax collectors and persons required by this Article to collect and/or to pay the taxes imposed in this Article to keep and maintain all books, papers and records related to all transactions taxable or non-taxable under this Article and to make such records available to the Director on request for inspection, audit and/or copying during regular business hours. Books, papers and records which relate to a return filed or required to be filed with the Department shall be kept for a the taxable time period as provided for listed in the statute of limitations section of the in Chapter 34, Article III, Uniform Penalties, Interest and Procedures Ordinance, Article III, Sec. 34-60 et seq.

\* \* \*

**Sec. 74-277. - Filing of returns and remittances.**

(a)Monthly returns; remittances; due date. Except as provided in this Section, a tax collector, as described in this Article, shall file a return and remit payment on or before the twentieth day of each calendar month following the month for which the tax is due. A tax collector shall file a monthly return even when no tax is due.

(b)Final monthly return; remittance. Any tax collector who ceases to engage in the business of making retail sales of tangible person property which is titled or registered, with an agency of the State of Illinois, at a location in the County shall file a final return under this Article with the Department not later than one calendar month after making the last sale at retail. All taxes due to be paid to the County shall be remitted to the County at the time the final return is filed with the Department.

~~(c)Tax collector Annual Return. Tax collectors shall file an annual information return, on forms and including such information as prescribed by the Department, on the last day of the month following the year for which the return is due.~~

~~(c)~~ Any retailer filing an information return under this Section shall also report, for the purpose of paying taxes due thereon, the total tax, if any, imposed upon it for the use of tangible personal property purchased by it for its own use, where such tax was not otherwise collected by the selling retailer. Such filing retailer shall remit the tax to the Department when filing such return.

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

# 16-1383

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

## **PROPOSED ORDINANCE AMENDMENT**

### **AMUSEMENT TAX ORDINANCE**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article X. Amusement Tax, Section 74-391 of the Cook County Code is hereby amended as Follows:

#### **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 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, riding on animals or vehicles, baseball, basketball, softball, soccer, football, tennis, golf, hockey, track and field games, bowling, or billiard and pool games. 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. 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 or to view 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).

*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.

*Patron* means a person who acquires the privilege to enter, to witness or to view 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 or to view an amusement, whether or not expressed in a tangible form.

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

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

# 16-2190

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

## PROPOSED ORDINANCE AMENDMENT

### TOBACCO TAX

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 - Taxation, Article XI. Tobacco Tax, Sections 74-430, et seq. 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.

*Affix or affixed* means to attach or attached tax stamps that cannot be removed from the cigarette pack without being mutilated or destroyed.

*Altered or mutilated tax stamp* means any tax stamp on which the ~~identity information is illegible or incomplete~~ unique serial number is illegible or incomplete. If a tax stamp does not include a unique serial number, 75% of the stamp must be affixed to the cigarette pack.

*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.

*Conceal or-Concealment* means cigarettes, other tobacco products, cigarette tax stamps, or Consumable Products in violation of this article, that are hidden or kept from being seen, found, observed or discovered in an area, location or container and stored, possessed or offered for sale at a place of business ~~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, Other Tobacco Products, or Consumable Products from a wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer, and not for resale purposes.

~~*Counterfeit eigarettes* means any cigarette or pack of cigarettes bearing a false, forged, artificial or imitation manufacturing label or tax stamp.~~

*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.

*Expired Tax Stamp* means any tax stamp terminated or cancelled by notice, rule or regulation issued by the Director.

*Hinder or hindrance* means to refuse, impede or prevent an inspection of premises or audit of books or records.

*Illegal import/export* means cigarettes or Other Tobacco Products intended for sale or use outside the United States that bear a manufacturer's statement, label, stamp, sticker, or notice indicating not intended for sale, distribution or use in the United States, including but not limited to labels stating "For Export Only", "U.S. Tax Exempt", "For Use Outside U.S.", or similar wording.

*Improperly stamped pack* means any packs of cigarettes or package on which a tax stamp is required where thereon which is affixed an expired tax stamp, altered/mutilated, used or reused tax stamp, 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, 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.

*Pack or pPackage* means the original packet, box, tin or container whatsoever used to contain and to convey cigarettes, 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, location or area where cigarettes, Other Tobacco Products, and/or Consumable Products, as defined in this ordinance, inventory may be sold, stored, possessed or transported for sale or resale, including, but not limited to, any building, garage, storage shed, vessel, vehicle (or any other forms of transportation situated on the premises either in such building, garage or storage shed, or within a store parking lot or assigned parking spaces adjacent thereto); or such other property owned, leased or used by the wholesale or retail tobacco dealer or employees thereof, or retail tobacco manufacturer or employees

thereof, that is part of, adjacent or appurtenant to the wholesale or retail facility at which such wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer is engaged in the business of selling cigarettes and/or Other Tobacco Products. is possessed, stored or sold.

*Purchaser* means a buyer of cigarettes, 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 manufactured cigarettes* means cigarettes made or fabricated on the premises of a retail cigarette manufacturer using tobacco and other material and equipment provided by a retail cigarette manufacturer as defined in this Article.

*Retail tobacco dealer* means any person who engages in the business of selling cigarettes, other tobacco products, or Consumable Products in the County of Cook to a consumer whether or not they are licensed to be a retail tobacco dealer. 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 decalcomania 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 required to be affixed but 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, Other Tobacco Products, and/or Consumable Products, who brings or causes to be brought into the County of Cook cigarettes, Other Tobacco Products, and/or Consumable Products for sale or resale to retail tobacco dealers and/or retail cigarette manufacturers 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 mils 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 mils 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 and sale.* 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. Retail cigarette manufacturers shall not store, possess or maintain any loose retail manufactured cigarettes or packs of retail manufactured cigarettes. Retail manufactured cigarettes must be manufactured only at the time of sale.

(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~~ possessed for sale and upon the use 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, 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, 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 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 occurred. Registered wholesale tobacco dealers must file a monthly return even if no tax is due.
  
- (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. Registered retail cigarette manufacturers must file a monthly return even if no tax is due.
  
- (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 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 were purchased, acquired or manufactured by the retail tobacco dealer and/or retail cigarette manufacturer for which taxes were not paid were sold in Cook County to a consumer. Registered retail tobacco dealers and retail cigarette manufacturers must file a monthly return even if no tax is due.

(h)*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, 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.

(i)*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, other tobacco products, and/or Consumable Products which are otherwise subject to the tax when the cigarettes, 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, 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 the following~~any cigarettes, 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) Illegal imports/exports ~~Other tobacco products and Consumable Products.~~
- (6) Other Tobacco Products and/or Consumable Products on which the tax should have been paid and has not been paid.
- (7) Used/reused tax stamps.
- (8) Packs bearing an altered or mutilated tax stamp.
- (9) Retail manufactured cigarettes either loose or in packs.

(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 unmutated 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 or retail cigarette manufacturer of any item(s) listed in Section 74-435(a)(1) through (9) above; and/or any wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer engaging in activity as set forth in Section 74-435(b)(1) through (5) above; and/or 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~~ the failure of any wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer to present books and records showing that applicable taxes have 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. ~~Wholesale tobacco dealers, r~~ 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, ~~or regardless of the actual knowledge of the wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer of such activities by the wholesale tobacco dealer's, retail tobacco dealer's or retail cigarette manufacturer's employees or other third party actors within those premises.~~

(d) Personal use is not a defense when charged with violating this ordinance.

(de) Cigarette pack, tax stamp, loose cigarettes, other tobacco products and hindrance violation p Penalties

Violation Type	Penalties Amount
<u>Altered/mutilated</u>	
40 packs or less	\$2,000.00
41 packs or more, per pack	50.00
2nd and each subsequent offense, an additional	4,000.00
<u>Books and records</u>	
1st Offense	1,000.00
2nd Offense	2,000.00
<u>Concealment</u>	
1st Offense	\$2,000.00
2nd and each subsequent offense, an additional	4,000.00
<u>Consumable Products</u>	
1st Offense	1,000.00
2nd and each subsequent offense, an additional	2,000.00
<u>Counterfeit packs of cigarettes</u>	
40 or less	2,000.00

41 or more, per pack	50.00
2nd and each subsequent offense, an additional	4,000.00
<i>Counterfeit tax stamps_</i>	
40 or less	2,000.00
41 or more, per stamp	50.00
2nd and each subsequent offense, an additional	4,000.00
<i>Hinder inspection or audit/Hinderance</i>	
1st Offense	1,000.00
2nd and each subsequent offense, an additional	2,000.00
<i>Illegal imports/exports_</i>	
40 packs or less	2,000.00
41 packs or more, per pack	50.00
2nd and each subsequent offense, an additional	4,000.00
<i>Improperly stamped packs_</i>	
40 or less	2,000.00
41 or more, per pack	50.00
2nd and each subsequent offense, an additional	4,000.00
<i>Loose cigarettes</i>	
40 or less	1,000.00
41 or more, per cigarette	25.00
2nd and each subsequent offense, an additional	2,000.00
<i>Other tobacco products_</i>	
1st offense	1,000.00
2nd and each subsequent offense, an additional	2,000.00
<i>Retail manufactured cigarette packs_</i>	
40 packs or less	1,000.00
41 or more, per pack	25.00
2nd and each subsequent offense, an additional	2,000.00
<i>Sales to unregistered wholesalers_</i>	
1st offense	2,000.00
2nd and each subsequent offense, an additional	4,000.00
<i>Unstamped packs_</i>	
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
<i>Utilization of used or reused tax stamps_</i>	
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
<i>Hinder inspection or audit</i>	
1st offense	1,000.00
2nd and each subsequent offense, an additional	2,000.00

**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. Each violation of this article shall be a separate and distinct violation.

(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 use or possession ~~the sale~~ of the other tobacco products by a person ~~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, 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, 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, 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, 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 Products in milliliters.
- (2) Delivery or receipt documents, serially numbered indicating the date; name, address of the person or business to whom the cigarettes, 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, 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) ~~Wholesale~~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, 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 the premises for~~ cigarette, 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, 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, cigarette tax stamps, other tobacco products, and/or Consumable Products possessed, for sale, or used in violation of this article~~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, cigarette tax stamps, 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, and 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 originated~~were seized~~, to redeem the cigarettes and/or any vending machine or receptacle seized therewith, by the payment of the tax due and 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.

(c)*Other Tobacco Product and Consumable Products redemption.* A retail tobacco dealer who was unable to provide books and records evidencing tax payment at the time of confiscation may redeem the confiscated Other Tobacco Products and/or Consumable Products by submitting proof that the tax was previously paid, or paying all tax due, and paying a fee of \$25 in addition to any outstanding judgments related to the original confiscation.

**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, 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)*Credits or Refunds.* The Department may redeem unused tax stamps lawfully on the possession of a wholesale tobacco dealer~~any person~~. Any wholesale tobacco dealer~~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)By November 20, 2016, 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 Other Tobacco Products and Consumable Products, on

which the tobacco tax was not previously paid, in their possession or control on October 1, 2016. With said inventory, the retail tobacco dealer shall submit a Department issued tax return and pay to the Cook County Collector the taxes due with respect to all Other Tobacco Products and Consumable Products, on which the tobacco tax was not previously paid, which were in the retail tobacco dealer's possession or control on October 1, 2016.

(bc) 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.

(ed) 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.

(de) 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.

(ef) 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.



Secs. 74-451-74-469. Reserved.

**A motion was made by Vice Chairman Sims, seconded by Commissioner Suffredin, that this Ordinance Amendment be recommended for approval. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-2696**

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

### **PROPOSED ORDINANCE**

**WHEREAS**, Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois provides that “a County which has a Chief Executive Officer elected by the electors of the County ... (is) a Home Rule Unit” and The County of Cook, Illinois (the “*County*”), has a Chief Executive Officer elected by the electors of the County and is therefore a Home Rule Unit and may, under the power granted by said Section 6(a) of Article VII of the Constitution of 1970, as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Debt Reform Act*”), and the other Omnibus Bond Acts, as amended, exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

**WHEREAS**, the County has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

**WHEREAS**, the Board of Commissioners of the County (the “*Corporate Authorities*”) has not adopted any ordinance, resolution, order or motion or provided any County Code provisions which restrict or limit the exercise of the home rule powers of the County in the issuance of general obligation bonds without referendum for corporate purposes or which provides any special rules or procedures for the exercise of such power; and

**WHEREAS**, the County has heretofore issued and there are now outstanding various series of general obligation bonds (collectively, the "*Prior Bonds*"), including General Obligation Refunding Bonds, Series 2006A (the "*2006A Bonds*"); and

**WHEREAS**, the 2006A Bonds are now outstanding in the aggregate principal amount of \$333,680,000, mature and are subject to optional redemption on the dates and as provided in the ordinances adopted by the Corporate Authorities on the 19th day of September, 2002, and on the 5th day of January, 2005, authorizing the issuance of the 2006A Bonds; and

**WHEREAS**, it is in the best interests of the County and its citizens and is necessary for the government and affairs of the County to authorize the refunding (the "*Refunding*") from time to time of all or a portion of the Prior Bonds, including the 2006A Bonds, or of all or any portion of any installment of interest coming due thereon, all as may be advisable from time to time in order to achieve debt service savings for the County or to restructure the debt service burden on the County; and

**WHEREAS**, the aggregate costs of the Refunding, including consulting, financial advisory, legal services, underwriters' discount, trustee and other financial fees as shall be necessary, are far less than the anticipated savings to be generated from the Refunding; and

**WHEREAS**, the Corporate Authorities accordingly do hereby determine that it is advisable and in the best interests of the County to borrow from time to time for the purpose of the Refunding, and to pay costs of issuance, and, in evidence of such borrowing, to issue one or more series of full faith and credit bonds of the County as hereinafter authorized:

**NOW THEREFORE BE IT ORDAINED** by the Board of Commissioners of The County of Cook, Illinois, as follows:

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**Sec. 1. Definitions.**

A. The following words and terms are as defined in the preambles hereto.

Corporate Authorities

County

Debt Reform Act

Prior Bonds

Refunding

2006A Bonds

B. The following words and terms are defined as set forth, unless the context or use indicates another or different meaning:

“*Act*” means the Counties Code, as supplemented and amended by the Debt Reform Act, and the other Omnibus Bond Acts, as amended, and as further supplemented and, where necessary, superseded by the County’s home rule powers under Section 6 of Article VII of the 1970 Constitution of the State of Illinois.

“*Agency Obligation*” means obligations issued or guaranteed by any of the following agencies, *provided* that such obligations are backed by the full faith and credit of the United States of America: Export-Import Bank of the United States direct obligations or fully guaranteed certificates of beneficial ownership; Federal Financing Bank; Farmers Home Administration certificates of beneficial ownership; Federal Housing Administration Debentures; Government National Mortgage Association guaranteed mortgage-backed bonds; General Services Administration participation certificates; United States Maritime Administration obligations guaranteed under Title XI; New Communities Debentures; United States Public Housing Notes and Bonds; and United States Department of Housing and Urban Development Project Notes and Local Authority Bonds.

“*Authorized Denomination*” means \$5,000 or any integral multiple thereof or such other denominations provided in a Bond Order.

*“Bond Counsel”* means, for any Series of Bonds, a bond counsel delivering its approving legal opinion in connection with that Series of Bonds.

*“Bond Fund”* means the account of that name established and further described in Section 12 of this Ordinance.

*“Bond Moneys”* means the Pledged Taxes, any other moneys deposited into the Bond Fund and investment income earned in the Bond Fund.

*“Bond Order”* means each written Bond Order, Notification of Sale and Direction to Levy Taxes as authorized to be executed by the Designated Officers by which the final terms of a Series of Bonds shall be established, all as hereinafter provided.

*“Bond Register”* means the books for the registration and transfer of the Bonds to be kept by the Trustee on behalf of the County.

*“Bonds”* means the bonds authorized under this Ordinance and to be issued in one or more Series pursuant to this Ordinance and one or more Bond Orders.

*“Book Entry Form”* means the form of Bonds as fully registrable and available in physical form only to the Depository.

*“Chief Financial Officer”* means the Chief Financial Officer of the County. It is hereby expressly provided that in the event of a vacancy in the office of Chief Financial Officer or the absence or temporary or permanent incapacity of the Chief Financial Officer, the Comptroller shall be authorized to act in the capacity of the Chief Financial Officer for all purposes of this Ordinance.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Commitment”* means (i) a commitment to issue a financial guaranty or municipal bond insurance policy issued by an Insurer and relating to a Series of Bonds and (ii) any separate municipal bond or financial guaranty insurance agreement between the County and an Insurer executed in connection with the issuance by such Insurer of its insurance policy with respect to a Series of Bonds.

*“Comptroller”* means the County Comptroller and successors or assigns.

*“County Clerk”* means the County Clerk of the County.

*“Defeasance Obligation”* means, for any Series of Bonds, obligations which are non-callable or otherwise subject to prepayment or acceleration and which are lawful investments for the County when purchased and limited to (1) (a) Agency Obligations, (b) Federal Obligations, (c) the interest component of the obligations of Resolution Funding Corp which have been stripped by request to the Federal Reserve Bank of New York and are in book entry form, (d) pre-refunded municipal bonds rated “Aaa” by Moody’s or “AAA” by Standard & Poor’s and which pre-refunded bonds have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or (2) other obligations as may be permitted by the Insurer in its Policy for that Series of Bonds and related documents.

*“Depository”* means The Depository Trust Company, a New York limited trust company, its successor or a successor depository qualified to clear securities under applicable state and federal law.

*“Designated Officer”* means the President, Chief Financial Officer or any other officer, official or employee of the County so designated by a written instrument signed by the President or the Chief Financial Officer and filed with the Trustee.

*“Disclosure Counsel”* means, for any Series of Bonds, the counsel representing the County in connection with the preparation of the preliminary official statement and official statement relating to the sale and issuance of such Bonds.

*“Escrow Agent”* means, for any Series of Bonds, that institution, having fiduciary capacity, so designated in the relevant Bond Order, and successors and assigns.

*“Escrow Agreement”* means a written agreement by and between the County and the Escrow Agent and executed to effectuate a Refunding.

*“Federal Obligation”* means any direct obligation of, or any obligation the timely payment of principal of and interest on which is fully and unconditionally guaranteed by, the United States of America.

*“Insurer”* means any recognized issuer of a municipal bond or financial guaranty insurance policy insuring one or more series of Bonds as selected by the Chief Financial Officer and so designated in a Bond Order, and its successors and assigns.

*“Moody’s”* means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns.

*“Municipal Advisor”* means, for any Series of Bonds, the municipal advisor consulting with the County as to the sale and delivery of that Series of Bonds.

*“Ordinance”* means this ordinance as originally introduced and adopted and as the same may from time to time be amended or supplemented in accordance with the terms hereof.

*“Outstanding Bonds”* means Bonds which are outstanding and unpaid; *provided, however*, such term shall not include Bonds (a) which have matured and for which monies are on deposit with proper paying agents or are otherwise properly available sufficient to pay all principal thereof and interest thereon; or (b) the provision for payment of which has been made by the County by the deposit in an irrevocable trust or escrow of funds, which may be invested in Defeasance Obligations, the principal of and interest on which will be sufficient, with any funds left uninvested, to pay at maturity or as called for redemption all the principal of, premium (if any) and interest on such Bonds, all as provided in and pursuant to Section 17 of this Ordinance.

*“Pledged Taxes”* means the unlimited ad valorem taxes levied herein and pledged hereunder by the County as security for the Bonds and any accrued interest received upon the sale of the Bonds, and deposited or to be deposited into the Bond Fund.

*“Policy”* means a municipal bond or financial guaranty insurance policy issued for a Series of Bonds by an Insurer.

*“Purchase Price”* means the price paid by the Underwriters for a Series of Bonds as provided in a relevant Bond Order.



*“Qualified Investments”* means any investment of proceeds of Bonds as may be permitted under the investment policy of the County and as defined in a Bond Order.

*“Refunded Bonds”* means any Prior Bonds refunded incidental to the Refunding.

*“Regulations”* means regulations promulgated by the United States Treasury and applicable to Tax Exempt Bonds.

*“Regular Record Date”* means, for any Bonds, the 1st day of the month in which any regularly scheduled interest payment date occurs on the 15th day of such month and, in the event of a payment occasioned by a redemption of Bonds on other than a regularly scheduled interest payment date on the 15th day of a month, means the 15th day next preceding such payment date.

*“Representations Letter”* means such letter or agreement as shall be necessary to effectuate a book-entry system for the Bonds, and specifically includes the Blanket Letter of Representations previously executed by the County and the Depository.

*“Restructuring”* means the restructuring of the debt service burden occasioned by the Prior Bonds and the related ad valorem property taxes levied by the County to pay principal of and interest on the Prior Bonds.

*“Series”* means, when appearing as a capitalized term, any one of the separate series of Bonds authorized by this Ordinance as hereinafter provided.

*“Standard & Poor’s”* means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

*“Stated Maturity”* means the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity or otherwise.

*“Tax Exempt”* means, with respect to any Series of Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

*“Tax Exempt Bonds”* means such Bonds as are so designated in a Bond Order.

*“Term Bonds”* means Bonds which are subject to mandatory redemption prior to maturity by operation of the Bond Fund, as hereinafter provided.

*“Trustee”* means, for any Series of Bonds, that financial institution, having fiduciary capacity and meeting all of the requirements set forth in this Ordinance, as identified in a relevant Bond Order.

*“Underwriters”* means, for any Series of Bonds, the purchasers of that Series of Bonds.

*“Underwriters’ Counsel”* means, for any Series of Bonds, the underwriters’ counsel representing the Underwriters in connection with the sale and purchase of that Series of Bonds.

C. For all purposes of this Ordinance, except as otherwise expressly provided herein or unless the context otherwise requires:

1. The terms defined in this Section or elsewhere in this Ordinance have the meanings assigned to them and include the plural as well as the singular (or vice-versa).

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles for municipal enterprise funds.

3. All references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted.

4. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

5. The table of contents preceding and headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

## **Sec. 2. Findings.**

The Corporate Authorities hereby find that it is necessary and in the best interests of the County, its residents and taxpayers that the County provide for the Refunding; that the Refunding is expressly authorized under the Act; and that the Bonds be issued to enable the County to pay the costs of the Refunding. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do hereby incorporate them into this Ordinance by this reference. It is hereby found and determined that the Corporate Authorities are authorized by law to borrow upon the credit of the County and as evidence of such indebtedness to issue at this time one or more Series of Bonds to pay the costs of the Refunding. It is hereby found and determined

that such borrowing of money pertains to the government and affairs of the County, is necessary or advisable for the welfare of the government and affairs of the County, is for a proper public purpose or purposes and is in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive. The authority to issue the Bonds is the Act, and the Bonds shall be issued pursuant to the Act.

### **Sec. 3.Bond Details.**

To pay the costs of the Refunding, the Bonds shall be issued from time to time in one or more Series, all as may be determined by the Chief Financial Officer, *provided* that the aggregate principal amount of any Bonds issued pursuant to this Ordinance shall not exceed \$375,000,000. The Bonds shall be designated substantially as “General Obligation Refunding Bonds, Series 2016,” with such additions or modifications as shall be determined to be necessary by the Chief Financial Officer at the time of the sale of the Bonds.

Each Series of Bonds shall be dated as of June 1, 2016, or such later date at or prior to the date of issuance thereof as may be provided in the relevant Bond Order (any such date for any Bonds being a “*Dated Date*”); *provided* that no Bond shall be dated later than December 31, 2016.

All Bonds (i) shall also bear the date of authentication, (ii) shall be in fully registered form, (iii) shall be issued in Book Entry Form, (iv) shall be in Authorized Denominations as provided in the relevant Bond Order (but no single Bond shall represent installments of principal maturing on more than one date), (v) shall be numbered 1 and upward within each Series, (vi) shall bear interest at the rates percent per annum and (vii) shall mature serially or as Term Bonds (subject as hereinafter provided with respect to prior redemption) on November 15 (or such other date or dates as may be provided in the relevant Bond Order) of the years and in the amounts, as provided in the relevant Bond Order, subject to the limitations set forth below.

All Bonds shall become due and payable as provided in the relevant Bond Order, *provided, however*, that no Bond shall have a Stated Maturity which is later than the date which is thirty (30) years after its Dated Date.

The Bonds shall bear interest at a rate or rates percent per annum not to exceed seven percent (7.0%) per annum. The Bonds shall bear interest at the rate or rates percent per annum as provided in the relevant Bond Order.

Each Bond shall bear interest from the later of its Dated Date or the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable, subject to the provisions of any Bond Order, on each May 15 and November 15, commencing on such May 15 or November 15 as determined by the Chief Financial Officer in the Bond Order therefor.

So long as the Bonds are held in Book Entry Form, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer, in lawful money of the United States of America, as may be agreed in the Representations Letter; in the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Trustee, payable upon presentation thereof in lawful money of the United States of America, or by electronic funds transfer of lawful money of the United States of America, as may be provided, to the person in whose name such Bond is registered at the close of business on the applicable Regular Record Date, and mailed to the address or transferred to such account of such registered owner as it appears on the Bond Register or at such other address or account as may be furnished in writing to the Trustee.

Principal of and premium (if any) on each Bond shall be paid upon surrender in lawful money of the United States of America, at the principal office maintained for the purpose by the Trustee or its proper agent.

The Bonds shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the County and shall be signed by the manual or duly authorized facsimile signatures of the President and County Clerk, as they shall determine, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee as authenticating agent of the County and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature,

and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

#### **Sec. 4. Book-Entry Provisions.**

The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of each Series of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in such name as may be provided by the Depository (the "*Book Entry Owner*") and, accordingly, in Book Entry Form as provided and defined herein. Any Designated Officer is authorized to execute a Representations Letter or to utilize the provisions of an existing Representations Letter. Without limiting the generality of the authority given with respect to entering into the Representations Letter for the Bonds, it may contain provisions relating to (i) payment procedures, (ii) transfers of the Bonds or of beneficial interests therein, (iii) redemption notices and procedures unique to the Depository, (iv) additional notices or communications, and (v) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the County nor the Trustee shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a "*Depository Participant*") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, neither the County nor the Trustee shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as expressly provided in the Representations Letter, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository Participant or any other person, other than a registered owner of

a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (x) the County determines that the Depository is incapable of discharging its responsibilities described herein or in the Representations Letter, (y) the agreement among the County and the Depository evidenced by the Representations Letter shall be terminated for any reason, or (z) the County determines that it is in the best interests of the County or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds; the County shall notify the Depository of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The County may determine at such time that the Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the County, or such depository's agent or designee, but if the County does not select such successor depository, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

**Sec. 5.Redemption.**

A. MANDATORY REDEMPTION. If so provided in the relevant Bond Order, any Bonds may be issued as Term Bonds and be subject to mandatory redemption by operation of the Bond Fund at a price of par, without premium, plus accrued interest to the date fixed for redemption, on November 15 (or such other date or dates as may be provided in the relevant Bond Order) of the years and in the amounts and subject to such provisions as shall be set forth in the relevant Bond Order. The County covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds and provide Pledged Taxes accordingly.

In connection with any mandatory redemption of Bonds as authorized above, the principal amounts of such Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Chief Financial Officer may determine. In the absence of such determination, partial optional redemptions of such Bonds shall be credited against future mandatory

redemption requirements in inverse chronological order of such payments beginning with the amount scheduled to become due at Stated Maturity, then the amount subject to mandatory redemption on the redemption date immediately preceding Stated Maturity, and so on. In addition, on or prior to the sixtieth (60th) day preceding any mandatory redemption date, the Trustee may, and if directed by the Chief Financial Officer shall, purchase Bonds of such maturities in an amount not exceeding the amount of such Bonds required to be retired on such mandatory redemption date and at a price not exceeding par plus accrued interest. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the payment required on such next mandatory redemption date.

The County shall provide the Trustee with written notice of such reduction, which notice shall be given within thirty (30) days after such redemption or purchase, and the Trustee shall promptly give written notice of the same to the Bondholders, in the manner hereinafter provided.

B. OPTIONAL REDEMPTION. If so provided in the relevant Bond Order, any Bonds may be redeemable prior to maturity at the option of the County, in whole or in part on any date, at such times and at such optional redemption prices, including any make-whole optional redemption prices, as shall be determined by the Chief Financial Officer at the time of the sale thereof. Such optional redemption prices, other than for any make-whole optional redemption, shall be expressed as a percentage of the principal amount of Bonds to be redeemed, *provided* that such percentage shall not exceed one hundred three percent (103.00%), plus accrued interest to the date of redemption. Optional redemption prices and other provisions related to any make-whole optional redemption with respect to any Bonds shall be determined by the Chief Financial Officer at the time of the sale thereof.

If less than all of the Outstanding Bonds of a Series are to be optionally redeemed, the Bonds to be called shall be called from such Series, in such principal amounts and from such maturities as may be determined by the County and within any maturity in the manner hereinafter provided.

C. REDEMPTION PROCEDURE. The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

1. *Redemption Notice.* For a mandatory redemption of Term Bonds, unless otherwise notified by the County, the Trustee shall proceed to redeem the Term Bonds without any further order or direction from the County hereunder or otherwise. For an optional redemption, the County shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount and maturities of Bonds to be redeemed.

2. *Selection of Bonds within a Maturity.* The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Trustee for the Bonds of such maturity by such method of lottery as the Trustee shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that each \$5,000 principal amount of such Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Trustee shall make such selection (a) upon or prior to the time of the giving of official notice of redemption, or (b) in the event of a refunding or defeasance, upon advice from the County that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

Alternatively, if so provided in the relevant Bond Order, for purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Trustee pro rata based upon a fraction the numerator of which is the principal amount of Bonds to be redeemed on a given date and the denominator of which is the aggregate principal amount of such Series of Bonds and of the given Stated Maturity remaining unpaid immediately prior to such redemption. If the Bonds are held in Book Entry Form at the time of such redemption, the County shall direct the Trustee to instruct the Depository to select the specific Bonds within such maturity for redemption



pro rata among such Bonds, which redemption may utilize the Depository's current pro rata pass-through distribution of principal procedure or similar or substituted procedure promulgated from time to time. If while in Book Entry Form the Depository has no procedure for pro rata redemption, then such partial redemption shall be accomplished by lot, as described above. The County and the Trustee shall have no responsibility or obligation to insure that the Depository properly selects such Bonds for redemption.

*3. Official Notice of Redemption.* The Trustee shall promptly notify the County in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the County by mailing the redemption notice by first class U.S. mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Trustee. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (a) the redemption date;
- (b) the redemption price, or for any optional redemption utilizing a make-whole redemption provision, a description of the formula by which the redemption price shall be determined;
- (c) if less than all of the outstanding Bonds of a Series and of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds of a Series within such maturity, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose by the Trustee.

*4. Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may, at the option of the County, state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the County shall not redeem such Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

*5. Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in paragraph 4. immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

*6. Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Trustee, but such filing shall not be a condition precedent

to the validity of any action taken in reliance upon such waiver. *In lieu of the foregoing official notice, so long as the Bonds are held in Book Entry Form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by the Depository and the book entry owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Trustee, as applicable, the County shall not be liable for any failure to give or defect in notice.*

*7.New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like Series and tenor, in Authorized Denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

*8.Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

*9.Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

*10.Additional Notice.* The County agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (a) advisory in nature, (b) solely in the discretion of the County (unless a separate agreement shall be made), (c) not be a condition precedent of a valid redemption or a part of the Bond contract, and (d) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given.

Reference is also made to the provisions of the Continuing Disclosure Undertaking of the County with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

11. *Trustee to Advise County.* As part of its duties hereunder, the Trustee shall prepare and forward to the County a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

**Sec. 6. Registration of Bonds; Persons Treated as Owners; Bonds Lost, Destroyed, Etc.**

The County shall cause the Bond Register to be kept at the office maintained for the purpose by the Trustee, which is hereby constituted and appointed the Registrar of the County. The County is authorized to prepare, and the Trustee shall keep custody of, multiple Bond blanks executed by the County for use in the transfer and exchange of Bonds.

Subject to the provisions hereof relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations of and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer of any Bond at the office maintained for the purpose by the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the registered owner or his or her attorney duly authorized in writing, the County shall execute and the Trustee shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same Series of the same tenor, of the same interest rate and Stated Maturity, of Authorized Denominations, for a like aggregate principal amount. Subject to the provisions of this Ordinance relating to Book Entry Form any fully registered Bond or Bonds may be exchanged at said office of the Trustee or its proper agent for a like aggregate principal amount of such Bonds of the same tenor, of the same Series, interest rate and Stated Maturity, of other Authorized Denominations.

The Trustee shall not be required to transfer or exchange any Bond during the period from the close of business on the Regular Record Date for an interest payment to the opening of business on such interest payment date or during the period of fifteen (15) days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

The execution by the County of any fully registered Bond shall constitute full and due authorization of such Bond, and the Trustee or its proper agent shall thereby be authorized to authenticate, date and deliver such Bond in accordance with the terms of this Ordinance; *provided, however*, the principal amount of Bonds of each Series and maturity authenticated by the Trustee shall not at any one time exceed the authorized principal amount of Bonds for such Series and maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the County or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption.

If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Trustee or its proper agent may authenticate a new Bond of like Series, date, maturity date, interest rate, denomination and principal amount and bearing a number not contemporaneously outstanding; *provided* that (a) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and (b) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the Trustee evidence of such loss or destruction, together with indemnification of the County and the Trustee, satisfactory to the Trustee. In the event any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the Trustee shall pay the same without surrender thereof if there shall be first furnished to the Trustee evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

**Sec. 7.Security.**

The full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the County, and the County shall be obligated and hereby covenants and agrees to levy ad valorem taxes upon all the taxable property in the County for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. The County hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes on deposit or to be deposited in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the right, hereby expressly reserved by the County, to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the County.

**Sec. 8.Forms of Bonds.**

The Bonds shall be in substantially the forms hereinafter set forth; *provided, however*, that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[Form of Bond - Front Side]

REGISTERED

REGISTERED

NO. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ILLINOIS

THE COUNTY OF COOK

GENERAL OBLIGATION REFUNDING BOND, SERIES 2016

See Reverse Side for  
Additional Provisions

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Dated Date: \_\_\_\_\_, CUSIP: \_\_\_\_\_  
\_\_\_\_\_% 15, 201\_ 201\_

Registered Owner: CEDE & Co.

Principal Amount:

[1]KNOW ALL PERSONS BY THESE PRESENTS, that The County of Cook, Illinois (the “County”), a political subdivision and home rule unit duly organized and incorporated under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay from the sources and as hereinafter provided to the Registered Owner identified above, or registered assigns as hereinafter provided, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount at the Interest Rate identified above, from the Dated Date or from the most recent interest payment date to which interest has been paid, on each May 15 and November 15, commencing \_\_\_\_\_ 15, 201\_, until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity are and become applicable hereto. Both principal hereof and redemption price of this Bond are payable in lawful money of the United States of America at the office maintained for the purpose by \_\_\_\_\_, Chicago, Illinois, with offices located in the City of Chicago, Illinois, or other designated office, as bond registrar, paying agent and trustee (the “Trustee”), or at any successor trustee and locality as in the hereinafter defined Bond Ordinance provided. Payment of interest shall be made to the Registered Owner hereof on the registration books

of the County maintained by the Trustee at the close of business on the Regular Record Date and shall be paid by check or draft of the Trustee mailed to the address of such Registered Owner as it appears on such registration books or as otherwise agreed by the County and CEDE & Co., as nominee, or successor for so long as this Bond is held by the Depository or nominee in book-entry only form as provided for same.

[2]Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3]This bond and each bond of the series of which it forms a part (together, the "*Bonds*"), are issued pursuant to the Counties Code, as supplemented and amended by the Local Government Debt Reform Act of the State of Illinois, and the other Omnibus Bond Acts, as amended, and as further supplemented and, where necessary, superseded by the County's home rule powers under Section 6 of Article VII of the 1970 Constitution of the State of Illinois (collectively, the "*Act*"). The Bonds are being issued for the purpose of paying the costs of the the Refunding (as defined in the hereinafter defined Bond Ordinance), all as more fully described in proceedings adopted by the Board of Commissioners of the County (the "*Corporate Authorities*") and in an ordinance authorizing the issuance of the Bonds adopted by the Corporate Authorities on the \_\_\_\_ day of \_\_\_\_\_, 2016 (as supplemented by a Bond Order, Notification of Sale and Direction to Levy Taxes, the "*Bond Ordinance*"), to all the provisions of which the holder by the acceptance of this Bond assents. For the prompt payment of this Bond, both principal and interest, as aforesaid, at maturity, the Pledged Taxes are hereby irrevocably pledged.

[4]It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the County, represented by the Bonds, and including all other indebtedness of the County, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the County sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.



[5]This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the manual signature of the Trustee.

[6]IN WITNESS WHEREOF, The County of Cook, Illinois, by its Board of Commissioners, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and County Clerk, and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

[SEAL]

\_\_\_\_\_  
President

\_\_\_\_\_  
County Clerk

Date of Authentication: \_\_\_\_\_, 2016

CERTIFICATION OF AUTHENTICATION

Bond Registrar, Paying Agent and Trustee:  
\_\_\_\_\_ Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned Bond Ordinance and is one of the General Obligation Refunding Bonds, Series 2016, of The County of Cook, Illinois.

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Authorized Officer

**THE COUNTY OF COOK, ILLINOIS**

**GENERAL OBLIGATION REFUNDING BOND, SERIES 2016**

[7]This Bond is transferable by the registered holder hereof in person or by his or her attorney duly authorized in writing at the office maintained for the purpose by the Trustee in Chicago, Illinois, or at any successor Trustee and successor location, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of the same series and Authorized Denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee shall not be required to transfer or exchange this Bond during the period beginning at the close of business on the fifteenth day next preceding any interest payment date for this Bond, after notice calling this Bond for redemption has been mailed, or during a period of 15 days next preceding mailing of a notice of redemption of this Bond.

[8]The Bonds are issued in fully registered form in the Authorized Denomination of \$5,000 each and integral multiples thereof. This Bond may be exchanged at the office maintained for the purpose by the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations, upon the terms set forth in the Bond Ordinance.

[9]The County and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither the County nor the Trustee shall be affected by any notice to the contrary.

[10]The Bonds coming due on and after \_\_\_\_\_ 15, 20\_\_, are subject to redemption prior to maturity at the option of the County, from any available moneys, on \_\_\_\_\_ 15, 20\_\_, and any date thereafter, in whole or in part, and if in part, in such principal amounts and from such maturities as determined by the County and within any maturity by lot, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth below:

DATES OF REDEMPTION	REDEMPTION PRICE
---------------------	------------------

[11][Provisions relating to mandatory redemption will be inserted here.]

[12]Written notice of the redemption of any or all of said Bonds shall be given by the County to the registered holder thereof by first class mail to the address shown on the registration books of the County maintained by the Trustee or at such other address as is furnished in writing by such registered owner to the Trustee. The date of the mailing and filing of such notice shall be not more than sixty (60) and not less than thirty (30) days prior to such redemption date, and when any or all of said Bonds or any portion thereof shall have been called for redemption and payment made or provided for, interest thereon shall cease from and after the date so specified. With respect to any redemption of Bonds, unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Trustee prior to the giving of the notice of redemption, such notice may, at the option of the County, state that such redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Trustee shall not redeem such Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed.

[13]The rights and obligations of the County and of the registered owners of Bonds of the series of which this Bond is one may be modified or amended at any time as more fully set forth in the Bond Ordinance.

**[ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ or its successor as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**INSURANCE LEGEND MAY APPEAR HERE**

**Sec. 9. Taxes Levied; Payment of Principal, Premium and Interest; Covenants re Pledged Taxes; Ordinance and Bond Orders to be Filed; Abatement.**

A. TAXES LEVIED. For the purpose of providing the funds required to pay the principal of and interest on the Bonds promptly as the same become due, there is hereby levied upon all taxable property in the County, a direct annual tax sufficient for those purposes in addition to all other taxes, for the years and in the amounts as shall be provided in each relevant Bond Order, which amounts, when aggregated with (i) the receipts, if any, of taxes levied and collected for the payment of Refunded Bonds, (ii) any accrued interest received on the sale of a Series of Bonds, and (iii) any proceeds of a Series of Bonds available to pay capitalized interest on said Series of Bonds, shall be sufficient to pay principal of and interest on such Series of Bonds.

B. PAYMENT OF PRINCIPAL AND INTEREST. Subject to the right reserved by the County under Section 7 of this Ordinance to transfer investment income, the Bond Moneys shall be applied by the Trustee to pay principal of and interest on the Bonds.

Principal of and interest on the Bonds coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied which funds are hereby appropriated for such purpose as necessary; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

C. COVENANTS RE PLEDGED TAXES. The County covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the County will take no action or fail to take any action which in any way would adversely affect the ability of the County to levy and collect the Pledged Taxes. The County and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

D. ORDINANCE AND BOND ORDERS TO BE FILED. A copy of this Ordinance, together with a subsequent copy of each Bond Order, duly certified by the County Clerk, shall be filed in the office of the County Clerk, and such filings shall constitute the authority for and it shall be the duty of said County Clerk, in each year as aforesaid,

to extend the taxes levied pursuant to this Section and said Bond Order(s) for collection, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the County on its behalf.

E.ABATEMENT. Whenever and only when other funds from any lawful source are made available for the purpose of paying any principal of and interest on the Bonds, so as to enable the abatement of the Pledged Taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the Pledged Taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

**Sec. 10.Powers as to Bonds and Pledge.**

The County is duly authorized to pledge the Pledged Taxes and other moneys, securities and funds purported to be pledged by this Ordinance in the manner and to the extent provided in this Ordinance.

The Pledged Taxes and all other moneys deposited or to be deposited into the Bond Fund are pledged as security for the payment of the Bonds. This pledge is made pursuant to Section 13 of the Debt Reform Act to the fullest extent applicable and shall be valid and binding from the date of issuance of the initial series of the Bonds. All such Pledged Taxes and the moneys held in the Bond Fund shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Country irrespective of whether such parties have notice thereof.

The Pledged Taxes and other moneys, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Ordinance. The County shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Taxes and other moneys, securities and funds pledged under this Ordinance and all the rights thereto of the Bondholders under this Ordinance against all claims and demands of all persons whomsoever.

**Sec. 11.Sale of the Bonds; Bond Orders; Financing Teams; Execution of Documents Authorized; Undertakings; Offering Materials; Credit Facilities; ISDA Documents.**

A.SALE OF THE BONDS. The Chief Financial Officer is hereby authorized to sell all or any portion of the several Series of the Bonds to the respective Underwriters from time to time on such terms as he or she may deem to be in the best interests of the County; *provided* that (i) in each case the Purchase Price shall be at least ninety-eight percent (98%) of the proceeds of the Bonds (exclusive of any net original issue discount or premium), plus accrued interest, if any, on the Bonds from their Dated Date to the date of their issuance, (ii) the aggregate amount of principal of and interest on the Bonds in any year shall not exceed the aggregate amount levied therefor pursuant hereto plus capitalized interest, if any, and (iii) as an additional limitation on the sale of the Bonds, incidental to the sale of any Series of Bonds, the Municipal Advisor must provide a certificate or report setting forth that (a) the issuance of such Bonds to refund each maturity, or part of a maturity, of the Refunded Bonds which are chosen to be refunded will provide an aggregate minimum net present value savings to the County of five percent (5.00%) of the debt service on the Refunded Bonds being refunded, or (b) the Refunding of the Refunded Bonds which are chosen to be refunded will restructure the debt service burden of the County so as to maintain aggregate debt service that is projected to grow at no more than 2%, or at a reasonable rate of projection of inflation as defined by the Chief Financial Officer, on a year-over-year basis including new money debt issuance projections as contained in the most recent Capital Budget of the County as approved by the Corporate Authorities and anticipated future refinancings. The Bonds may be sold from time to time as the Chief Financial Officer shall determine that the proceeds of such sales are needed. Nothing contained in this Ordinance shall limit the sale of the Bonds or any maturity or maturities thereof at a price or prices in excess of the principal amount thereof.

B.BOND ORDERS. Subsequent to each such sale of the Bonds, the Chief Financial Officer shall file in the office of the County Clerk a Bond Order directed to the Corporate Authorities identifying (i) the terms of the sale, (ii) the Dated Date of the Bonds sold, (iii) the aggregate principal amount of Bonds sold, (iv) the principal amount of Bonds maturing and subject to mandatory redemption in each year, (v) the optional redemption provisions applicable to the Bonds sold, (vi) the specific series, maturities and principal amounts of Refunded Bonds and the amounts, if any, of installments of interest coming due on any Prior Bonds, to be refunded with the proceeds of the

Bonds sold, (vii) the date on and price at which the Refunded Bonds shall be redeemed or purchased (if such redemption shall occur prior to the maturity date thereof or pursuant to mandatory redemption), (viii) the financing team, including each Bond Counsel, Disclosure Counsel, Underwriters' Counsel, Municipal Advisor, Trustee, the Underwriters and the Escrow Agent designated in connection with the Refunding of the Refunded Bonds, (ix) the interest rate or rates on any Bonds sold, (x) the identity of any Insurer, (xi) the portion, if any, of the Bonds which are not Tax Exempt, and (xii) the information regarding the title and Series designation of the Bonds, together with any other matter authorized by this Ordinance to be determined by the Chief Financial Officer at the time of sale of the Bonds, and thereafter the Bonds so sold shall be duly prepared and executed in the form and manner provided herein and delivered to the respective Underwriters in accordance with the terms of sale.

C.FINANCING TEAM APPROVED. The selection of the following party or parties in the capacity as indicated is hereby expressly approved:

CAPACITY	PARTY OR PARTIES
Senior Managers	Loop Capital Markets LLC Barclays Capital Inc.
Co-Senior Managers	Siebert Brandford Shank & Co. LLC William Blair & Company, L.L.C.
Co-Managers	PNC Capital Markets LLC Cabrera Capital Markets, LLC J.P. Morgan Securities LLC Bernardi Securities, Inc.
Co-Municipal Advisors	A.C. Advisory, Inc. Columbia Capital Management LLC
Co-Bond Counsel	Chapman and Cutler LLP Burke Burns & Pinelli, Ltd.
Co-Disclosure Counsel	Katten Muchin Rosenman LLP Reyes Kurson, Ltd.
Pension Disclosure Counsel	Nixon Peabody
Underwriters' Counsel	Charity & Associates

The President and the Chief Financial Officer are hereby expressly authorized and directed to select for each Series of Bonds a Trustee and one or more Escrow Agents and such other firms as necessary to effect the Refunding, their selection thereof to constitute approval by the Corporate Authorities without further official action by or direction from the Corporate Authorities. Each Trustee or Escrow Agent shall be a bank or corporate trust company having fiduciary powers.



D.EXECUTION OF DOCUMENTS AUTHORIZED. Any Designated Officer and such other officers and officials of the County as may be necessary are hereby authorized to execute such documents, with appropriate revisions to reflect the terms and provisions of the Bonds of each Series and this Ordinance and such other revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Bonds, as may be necessary to effect the Refunding and to effect the issuance and delivery and maintenance of the status of the Bonds, including but not limited to:

(i) those certain contracts of purchase (each, a "*Purchase Contract*") by and between the County and the Underwriters, which Purchase Contracts shall be in form acceptable to the Chief Financial Officer and as customarily entered into by the County;

(ii) as necessary in connection with the Refunding, those certain Escrow Agreements by and between the County and the Escrow Agent or Escrow Agents, such agreements to be provided by Bond Counsel, which Escrow Agreements shall be in form acceptable to the Chief Financial Officer and as customarily entered into by the County;

(iii) those certain Continuing Disclosure Undertakings, each as approved by the Chief Financial Officer and each in form customarily used by the County, to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934;

(iv) such certification, tax returns and documentation as may be required by Bond Counsel, including, specifically, a tax agreement, to render their opinions as to the Tax Exempt status of the interest on any Tax Exempt Bonds pursuant to the Code; and

(v) such certification, tax returns and documentation as may be advised by Bond Counsel as appropriate, to establish and maintain the Tax Exempt status of the interest on any Tax Exempt Bonds pursuant to the Code;

and execution thereof by such Designated Officers, officers and officials is hereby deemed conclusive evidence of approval thereof with such changes, additions, insertions, omissions or deletions as such officers may determine, with no further official action of or direction by the Corporate Authorities.

E.UNDERTAKINGS. When any Continuing Disclosure Undertaking is executed and delivered on behalf of the County, it will be binding on the County and the officers, agents, and employees of the County, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with any

Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the County to comply with its obligations thereunder.

F. OFFERING MATERIALS. The preparation, use and distribution of a preliminary official statement and an official statement relating to each sale and issuance of the Bonds are hereby ratified and approved. The President and Chief Financial Officer are each hereby authorized to execute and deliver an official statement relating to each sale and issuance of the Bonds on behalf of the County. The preliminary official statements and official statements herein authorized shall be in substantially the forms previously used for general obligation financings of the County with appropriate revisions to reflect the terms and provisions of the Bonds and to describe accurately the current condition of the County and the parties to the financing.

G. BOND INSURANCE POLICIES. In connection with any sale of a Series of the Bonds, the President or the Chief Financial Officer is hereby further authorized to obtain a Policy from an Insurer if the Chief Financial Officer determines such Policy to be desirable in connection with such sale of such Series of Bonds or any portion thereof. The President or Chief Financial Officer is hereby expressly authorized, on behalf of the County, to make such customary covenants and agreements with such Insurer as are consistent with the provisions of this Ordinance, as may be required by such bond insurer, including as follows:

(i) *Consent to Amendments.* That any provision of this Ordinance expressly recognizing or granting rights in or to any such Insurer or to Bondholders generally may not be amended in any manner which affects the rights of the Insurer or Bondholders generally without the prior written consent of the Insurer.

(ii) *Notices.* That the County may be required to furnish to the Bond Insurer information or notices.

(iii) *List of Permitted Investments.* That the investment of moneys in the various accounts of the Bond Fund may be limited to such list of lawful investments as may be required by the Insurer; *provided, however,* such list shall include direct obligations of the United States of America and shares in the Illinois Public Treasurers' Investment Pool.

(iv) *Non-Defeasance and Subrogation.* That in the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to a Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, and the pledge of Pledged Taxes and all covenants, agreements and other obligations of the County to the Bondholders shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such Bondholders.

(v) *Payment Procedure Pursuant to Policy.* That so long as the Policy shall be in full force and effect, the County and the Trustee agree to comply with such reasonable timing and notice procedures to properly effectuate Bond payment.

(vi) *Control of Proceedings; Vote in Plan.* That so long as the Policy shall be in full force and effect and not in default, the Insurer may exercise the rights of the registered owners of the Bonds in connection with the enforcement of all rights and remedies, and may vote the interests of the owners of such bonds in connection with bankruptcy, reorganization or insolvency plan or proceeding.

H. PURCHASE REFUNDING. Proceeds of the Bonds may be used to purchase any Prior Bonds from their owners as will allow the County to achieve debt service savings for the County, and the Designated Officers are hereby authorized and directed to approve or execute, or both, such documents as may be necessary to accomplish such purchase. The Senior Managers, Co-Senior Managers and Co-Managers listed in Paragraph C of this Section 11, and any underwriting affiliates thereof, are hereby approved and confirmed as dealer managers with respect to the purchase of any Prior Bonds with the proceeds of the Bonds.

**Sec. 12. Creation of Funds and Appropriations; Abatement of Taxes Levied for Refunded Bonds.**

A. BOND FUND CREATED. There is hereby created the “*General Obligation Refunding Bonds, Series 2016, Bond Fund*” (the “*Bond Fund*”), which shall be the fund for the payment of principal of and interest on the Bonds.

All receipts of the Pledged Taxes received by the County Treasurer, acting *ex officio* as the County Collector, shall be deposited daily, as far as practicable, with the Trustee. All other moneys appropriated or used

by the County for the payment of the principal or redemption price of and interest on the Bonds shall be paid to the Trustee. The Trustee shall be accountable only for moneys actually so deposited with the Trustee. The Trustee is hereby expressly authorized to establish such accounts within the Bond Fund as shall be necessary to account for the Pledged Taxes levied for each Series of Bonds issued hereunder. All Pledged Taxes, and all such moneys, shall be deposited by the Trustee into the Bond Fund.

The County Treasurer is hereby expressly authorized and directed to do, or cause to be done, all things necessary to provide for the prompt deposit with the Trustee, in accordance with this Ordinance, of all Pledged Taxes.

The Bond Fund shall be held and maintained as a separate and segregated account by the Trustee. The Trustee may create accounts within the Bond Fund as necessary for any Series of Bonds as specified in a relevant Bond Order. Moneys in the accounts of the Bond Fund may be withdrawn or may be transferred among the accounts of the Bond Fund by the County upon requisition by the Chief Financial Officer. Accrued interest, capitalized interest and to the extent set forth in a Bond Order, premium, if any, received upon delivery of the Bonds shall be deposited into the Bond Fund and be applied to pay first interest coming due on the Bonds.

The Pledged Taxes shall either be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of future principal of and interest on the Bonds or, to the extent lawful and as determined by the Chief Financial Officer, transferred to such other funds as may be determined.

B. ESCROW ACCOUNTS. The sum necessary, as determined by the Chief Financial Officer, of the principal proceeds and premium, if any, received upon delivery of the Bonds, together with such money in the debt service funds for the Refunded Bonds as may be advisable for the purpose, shall be used to provide for the Refunding, pursuant to the provisions of the relevant Escrow Agreement or Escrow Agreements. Any funds

remaining to the credit of the County pursuant to an Escrow Agreement upon the termination of the Escrow Agreement shall be disbursed by the Escrow Agent to the County as directed by the Chief Financial Officer.

C. EXPENSE FUND CREATED. The sum necessary, as determined by the Chief Financial Officer, of the principal proceeds of each Series of the Bonds shall be deposited into a separate and segregated fund, hereby created, to be known as the “*General Obligation Refunding Bonds, Series 2016 Expense Fund*” (the “*Expense Fund*”) and shall be disbursed upon the delivery of that Series of Bonds by the Trustee at the written direction of the Chief Financial Officer or shall be used by the County to pay costs of issuance in accordance with normal County disbursement procedures. Any funds remaining to the credit of the Expense Fund on the date which is six months following the date of delivery of the Bonds shall be transferred to the County Treasurer for deposit into such fund or account of the County as the Chief Financial Officer may direct.

D. INVESTMENTS. The moneys on deposit in the Bond Fund may be invested from time to time by the Trustee at the written direction of the Chief Financial Officer in Qualified Investments. Any such investments may be sold from time to time by the Trustee without further direction from the County as moneys may be needed for the purposes for which the Bond Fund has been created. In addition, the Chief Financial Officer shall direct the Trustee (which direction may be by telephonic, electronic or facsimile transmission by the County to the Trustee and confirmed by electronic or facsimile transmission by the Trustee to the County) to sell such investments when necessary to remedy any deficiency in the Bond Fund or any accounts created therein. All other investment earnings shall be attributed to the account for which the investment was made.

E. DEPOSITS. All moneys (not including securities) held by the Trustee subject to the provisions of this Section may be deposited by it, on demand or time deposit, in its banking department or with such banks, national banking associations, trust companies, savings banks or savings and loan associations, that are members of the Federal Deposit Insurance Corporation as may be designated by the President or the Chief Financial Officer. No such moneys shall be deposited with any such financial institution in an amount exceeding 20 percent of the amount that an officer of such financial institution shall certify to the Trustee and the Chief Financial Officer as the combined capital and surplus of such financial institution. No such moneys shall be deposited or remain on deposit

with any such financial institution in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation, unless (a) such financial institution shall have lodged with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the Trustee and the Chief Financial Officer, pledged to some other financial institution for the benefit of the County and the holders of Bonds, as collateral security for the moneys deposited, Federal Obligations or Agency Obligations having a market value (exclusive of accrued interest) at least equal to 100 percent of the amount of such moneys, and (b) the Trustee shall have a perfected first lien in the Federal Obligations or Agency Obligations serving as collateral, and such Federal Obligations or Agency Obligations shall be free from all third party liens. The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar funds of similar size and under similar conditions or as required by law. Interest in respect of moneys or on securities in any fund shall be credited in each case to the fund in which such moneys or securities are held.

F. REPURCHASE AGREEMENTS. The County may invest any moneys pursuant to a repurchase agreement. Each repurchase agreement shall meet the requirements of the Public Funds Investment Act of the State of Illinois, as amended, or be secured by Federal Obligations or Agency Obligations or such Qualified Investments as may be specified in a relevant Bond Order, having a market value, marked to market weekly, at least equal to 102 percent of the amount invested in the repurchase agreement plus accrued interest. The Trustee shall at all times have a first lien in such Federal Obligations or Agency Obligations perfected (i) by possession of certificated securities held by the Trustee or held by a third party acting on behalf of the Trustee if the institution serving as Trustee is also the counterparty to the repurchase agreement and is providing the collateral securities, or (ii) under the book-entry procedures specified in 31 Code of Federal Regulations 306.1 *et seq.* or 31 Code of Federal Regulations 350.0 *et seq.* The President or the Chief Financial Officer is hereby authorized to enter into, execute and deliver any investment or repurchase agreement authorized by this Ordinance, and any additional documents as shall be necessary to accomplish the purposes of any such agreement.

G. TAXES LEVIED FOR REFUNDED BONDS. To the extent not theretofore abated and as determined necessary by the Chief Financial Officer, the taxes previously levied and collected (or in the process of collection) to pay the

Refunded Bonds shall be used to effectuate the Refunding as provided in the Escrow Agreement or shall be used to effectuate the Restructuring, or to the extent not needed due to the issuance of the Bonds, shall be deposited into the Bond Fund and used to pay first interest coming due on the Bonds. Taxes previously levied for the Refunded Bonds but not yet extended for collection shall be abated. The Chief Financial Officer is hereby expressly authorized to file an abatement certificate with the County Clerk, without further official action of the Corporate Authorities, to effectuate such abatement.

H.PURCHASE REFUNDING. The proceeds of any Bonds issued in accordance with Paragraph H of Section 11 of this Ordinance shall be used to purchase Prior Bonds from their owners on a date or dates not later than 90 days after the issuance of such Bonds.

**Sec. 13.General Tax Covenants.**

A. NOT PRIVATE ACTIVITY BONDS. None of the Tax Exempt Bonds shall be a “*private activity bond*” as defined in Section 141(a) of the Code.

B. PERTAINING TO REBATE.

The County further certifies and covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “*Rebate Requirement*”) to the United States:

1. Unless an applicable exception to the Rebate Requirement is available to the County will meet the Rebate Requirement.

2. Relating to applicable exceptions, any Designated Officer is hereby authorized to make such elections under the Code as either such officer shall deem reasonable and in the best interests of the County.

3. The Designated Officers are hereby expressly authorized and directed to cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, a “General Obligation Refunding Bonds, Series 2016, Rebate Fund” (the “*Rebate Fund*”) for the Tax Exempt Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the 148 Compliance Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Said Designated Officers are hereby expressly authorized and directed to cause to be paid to the

U.S., without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

4. Interest earnings in the Bond Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the Rebate Fund for the purposes herein provided; and proceeds of the Tax Exempt Bonds and other lawfully available funds of the County are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid.

**Sec. 14. Registered Form.**

The County recognizes that Section 149 of the Code requires Tax Exempt Bonds to be issued and to remain in fully registered form in order to be and remain Tax Exempt. In this connection, the County agrees that it will not take any action to permit Tax Exempt Bonds to be issued in, or converted into, bearer or coupon form.

**Sec. 15. Further Tax-Exemption Covenants.**

The County agrees to comply with all provisions of the Code which, if not complied with by the County, would cause Tax Exempt Bonds not to be Tax Exempt. In furtherance of the foregoing provisions, but without limiting their generality, the County agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the County in such compliance.

The County also certifies and further covenants with the Underwriters and registered owners of the Tax Exempt Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Tax Exempt Bonds, whether or not such moneys were derived from the proceeds of the sale of the Tax Exempt Bonds or from any other source, will not be used in a manner which will cause the Tax Exempt Bonds to be



“arbitrage bonds” within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

The County further covenants that it will not take any action, or omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax Exempt Bonds) if taking, permitting or omitting to take such action would cause any Tax Exempt Bond to be a private activity bond within the meaning of the Code or would otherwise cause interest on the Tax Exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The County acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest on the Tax Exempt Bonds, under present rules, the County may be treated as a “taxpayer” in the examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

**Sec. 16. Opinion of Counsel Exception.**

The County reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the tax-related covenants set forth in Sections 13 through 15 herein, *provided*, that it shall first have received an opinion from Bond Counsel to the effect that such use or investment as contemplated is valid and proper under applicable law and this Ordinance and that such use or investment will not adversely affect the Tax Exempt status of the Tax Exempt Bonds.

**Sec. 17. Payment and Discharge; Refunding.**

The Bonds may be discharged, payment provided for, and the County’s liability terminated as follows:

(a) *Discharge of Indebtedness.* If (i) the County shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest, to become due thereon at the times and in the manner stipulated therein and herein, (ii) all fees and expenses of the Trustee shall have been paid, and (iii) the County shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Ordinance expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be void. If the County shall pay or cause to be paid to the registered owners of all Outstanding Bonds of a particular Series, or of a particular maturity within a Series, the principal, premium, if any, and interest, to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall cease to be entitled to any lien, benefit or security under the Ordinance, and all covenants, agreements and obligations of the County to the holders of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) *Provision for Payment.* Bonds for the payment or redemption or prepayment of which sufficient monies or sufficient Defeasance Obligations shall have been deposited with the Trustee or an escrow agent having fiduciary capacity (whether upon or prior to the maturity or the redemption date of such Bonds), and accompanied by an express declaration of defeasance of the Bonds by the Corporate Authorities, shall be deemed to be paid within the meaning of this Ordinance and no longer outstanding under this Ordinance; *provided, however*, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in this Ordinance or arrangements satisfactory to the Trustee shall have been made for the giving thereof. Defeasance Obligations shall be considered sufficient only if said investments mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and principal and redemption premiums if any when due on the Bonds without rendering the interest on any Bonds taxable under the Code.

The County may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the County may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) *Termination of County's Liability.* Upon the discharge of indebtedness under paragraph (a) hereof, or upon the deposit with the Trustee of sufficient money and Defeasance Obligations (such sufficiency being determined as provided in paragraph (b) hereof) for the retirement of any particular Bond or Bonds, all liability of the County in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Defeasance Obligations deposited with aforesaid for their payment.

#### **Sec. 18. Duties of Trustee.**

(a) If the Trustee has received notice, or has actual knowledge that an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee need perform only those duties that are specifically set forth in this Ordinance and no others, and no implied covenants or obligations of the Trustee shall be read into this Ordinance. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Ordinance. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Ordinance.

(c) The Trustee may not be relieved from liability for its own gross negligent action, its own gross negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section,

(2) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of any Insurer or the owners of the Bonds (in such percentages as may be required by the terms hereof) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Ordinance;

(4) no provision of this Ordinance shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Ordinance that in any way relates to the Trustee is subject to all the paragraphs of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power, or to make any payment on any Bond to any holder of such Bond, unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any cash held by it except as the Trustee may agree with the County or as set forth herein.

(g) For all purposes under this Ordinance, the Trustee shall not be deemed to have notice of any Event of Default described in Section 26 herein (iii), (iv) or (v) hereof unless a responsible officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such an Event of Default is received by the Trustee at the Corporate Trust Office, and such notice references any of the Bonds generally or this Ordinance.

(h) The permissive right of the Trustee to perform any discretionary act enumerated in this Ordinance shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(i) In no event shall the Trustee be required to take any action that conflicts with any of the provisions of this Ordinance or with the Trustee's fiduciary duties or that adversely affect its rights and immunities hereunder.

**Sec. 19.Rights of Trustee.**

Subject to the foregoing Section:

(a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require a certificate of an appropriate officer or officers of the County or an opinion of counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the certificate or opinion of counsel.

(c) The Trustee may act through agents or co-trustees and shall not be responsible for the misconduct or negligence of any agent or co-trustee appointed with due care.

(d) The Trustee shall not be personally liable for any action it takes or omits to take or any action or inaction it believes in good faith to be authorized or within its rights or powers.

(e) The Trustee shall not be bound to make any investigation into the facts of matters stated in any reports, certificates, payment instructions, opinion, notice, order or other paper or document unless the Trustee has actual knowledge to the contrary.

(f) The Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Ordinance or to institute, conduct or defend any litigation hereunder or in relation hereto at the request, order or direction of any of the Bondholders, pursuant to the provisions of this Ordinance, unless such Bondholders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

**Sec. 20.Individual Rights of Trustee.**

The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the County with the same rights it would have if it were not Trustee. Any paying agent may do the same with like rights.

**Sec. 21.Trustee's Disclaimer.**

The Trustee makes no representation as to the validity or adequacy of this Ordinance or the Bonds; it shall not be accountable for the County's use of the proceeds from the Bonds paid to the County, and it shall not be responsible for any statement in the Bonds other than its certificate of authentication.

**Sec. 22. Eligibility of Trustee.**

This Ordinance shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers and is subject to supervision or examination by United States or State authority. If at any time the Trustee ceases to be eligible in accordance with this Section, the Trustee shall resign immediately as set forth in Section 23 herein.

**Sec. 23. Replacement of Trustee.**

The Trustee may resign with thirty (30) days' written notice to the County, effective upon the execution, acknowledgment and delivery by a successor Trustee to the County of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the County may remove the Trustee and appoint a successor Trustee at any time by an instrument or concurrent instruments in writing delivered to the Trustee; *provided, however,* that the holders of a majority in aggregate principal amount of Bonds outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such Bondholders, and further provided that any conflict between the County and such holders regarding such removal and appointment shall be resolved in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States or of the State. Such successor Trustee shall in all respects meet the requirements set forth in Section 22 herein.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the County shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the County. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Ordinance.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the County or the registered owners of a majority in principal amount of the Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

**Sec. 24.Successor Trustee by Merger.**

If the Trustee consolidates with, merges with or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

**Sec. 25.Compensation.**

All reasonable fees and expenses of the Trustee shall be paid by the County from cash on hand and lawfully available.

**Sec. 26.Definition of Events of Default; Remedies.**

If one or more of the following events, herein called “Events of Default”, shall happen, that is to say, in case:

(i) default shall be made in the payment of the principal of or redemption premium, on any Outstanding Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(ii) default shall be made in the payment of any installment of interest on any Outstanding Bond when and as such installment of interest shall become due and payable; or

(iii) the County shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or any petition for relief shall be filed in respect of an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of 60 days without stay or vacation; or

(iv) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the County, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the County under the Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(v) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its

property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control;

then in each and every such case the Trustee may, and upon the written request of the registered owners of twenty-five percent (25%) in principal amount of the Bonds affected by the Event of Default and then outstanding hereunder shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all Pledged Taxes received by the Trustee under this Ordinance from the County shall be applied by the Trustee in accordance with the terms of Section 34 of this Ordinance.

#### **Sec. 27. Notices of Default under Ordinance.**

Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, the Trustee shall mail to the Bondholders at the address shown on the Bond Register, the Insurer, and also directly to any beneficial owner of \$500,000 or more in aggregate principal amount of Bonds then Outstanding at such address as the Trustee shall obtain from the Depository, notice of all Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

#### **Sec. 28. Termination of Proceedings by Trustee.**

In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the County, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

### **Sec. 29. Right of Holders to Control Proceedings.**

Subject to the provisions of any Commitment, anything in this Ordinance to the contrary notwithstanding, the registered owners of a majority in principal amount of the Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds, respectively; *provided* that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

### **Sec. 30. Right of Holders to Institute Suit.**

Subject to the provisions of any Commitment, no holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the registered owners of twenty-five percent (25%) in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Ordinance or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds, respectively.

Nothing in this Section contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest



on his or her Bonds, respectively, out of the Bond Fund, or the obligation of the County to pay the same, at the time and place in the Bonds expressed.

**Sec. 31.Suits by Trustee.**

All rights of action under this Ordinance, or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds affected by such suit or proceeding, subject to the provisions of this Ordinance.

**Sec. 32.Remedies Cumulative.**

No remedy herein conferred upon or reserved to the Trustee, the Bondholders, or to the Insurer is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Sec. 33.Waiver of Default.**

No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient. In the event any Event of Default shall be waived by the Bondholders or the Trustee, acting at the direction, or with the consent of, the Bondholders, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other Event of Default hereunder.

**Sec. 34.Application of Monies After Default.**

Subject to any Commitment, the County covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follows:

- (1) First, to the payment of all reasonable costs and expenses of collection, fees, and other amounts due to the Trustee hereunder; and thereafter,

(2) Second, to the payment of amounts, if any, payable to the United States Treasury pursuant to any Tax Agreement;

(3) All such monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on Outstanding Bonds then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

(B) second, to the payment to the persons entitled thereto of the unpaid principal and premium, if any, on any of the Outstanding Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which monies are held pursuant to the provisions of this Ordinance), in the order of their due dates, with interest upon such Outstanding Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Outstanding Bonds due on any particular date, together with such premium, then to the payment ratably according to the amount of principal and premium due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this paragraph, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee shall determine upon consultation with the County, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the County to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Ordinance as may be applicable at the time of application by the Trustee. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

**Sec. 35. This Ordinance a Contract.**

The provisions of this Ordinance shall constitute a contract between the County and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

**Sec. 36. Supplemental Ordinances.**

Supplemental ordinances may be passed as follows:

(a) *Supplemental Ordinances Not Requiring Consent of Bondholders.* The County by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Ordinance and any Commitment contained, may pass and accept an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall form a part hereof, for any one or more of the following purposes:

(i) To add to the covenants and agreements of the County in this Ordinance contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the County;

(ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Ordinance, or in regard to matters or questions arising under this Ordinance, as the County may deem necessary or desirable and not inconsistent with this Ordinance and which in the opinion of the Trustee shall not adversely affect the interests of the registered owners of the Bonds, as evidenced by an opinion of counsel delivered to the Trustee;

(iii) To designate one or more tender or similar agents of the Trustee, bond registrars or paying agents;

(iv) To comply with the provisions of Section 17 hereof when money and the Defeasance Obligations designated therein sufficient to provide for the retirement of Bonds shall have been deposited with the Trustee; and

(v) as to Bonds which are authorized but unissued hereunder to change in any way the terms upon which such Bonds may be issued or secured.

Any supplemental ordinance authorized by the provisions of this Section may be passed by the County and accepted by the Trustee without the consent of or notice to the registered owners of any of the Bonds at the time outstanding, but with notice to the Insurer, notwithstanding any of the provisions of paragraph (b) of this Section, but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties or immunities under this Ordinance or otherwise.

(b) *Supplemental Ordinances Requiring Consent of Bondholders.* With the consent (evidenced as provided in Section 40 hereof) of the registered owners of not less than a majority in aggregate principal amount of the Bonds, at the time outstanding, and subject to any Commitment, the County, by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an ordinance or

ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; *provided* that no such modification or amendment shall extend the maturity or reduce the interest rate on, or permit the creation of a preference or priority of any Outstanding Bond or Outstanding Bonds over any other Outstanding Bond or Outstanding Bonds, or otherwise alter or impair the obligation of the County to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond, without the express consent of the registered owner of such Bond or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the Pledged Taxes, or alter or impair the obligations of the County with respect to the Tax Exempt status, the registration, transfer, exchange or notice of redemption of Bonds, without the consent of the registered owners of all Outstanding Bonds affected; nor shall any such modification or amendment reduce the percentage of the registered owners of Outstanding Bonds required for the written consent of such modification or amendment without the consent of the owners of all of the Outstanding Bonds. Upon receipt by the Trustee of a certified copy of such ordinance and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall accept unless such supplemental ordinance affects the Trustee's own rights, duties or immunities under this Ordinance or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, accept such supplemental ordinance.

If a given Series of Bonds is fully and irrevocably insured or otherwise provided for as to the timely payment of principal and interest by a municipal bond or financial guaranty insurance policy, a letter of credit, or some other means, and such policy provider or letter of credit provider shall not be in default, then any consent to amendment as herein provided shall not be given by the owners of Bonds of such Series, but rather shall be obtained from such provider, whose consent may or may not be given in its complete discretion, and whose consent shall be binding on such owners and all successors in interest. Ownership of Bonds for purposes of consent by the registered owners thereof shall be conclusively proved by the Bond Register.

It shall not be necessary for the consent of the Bondholders under this paragraph to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the passage by the County and the acceptance by the Trustee of any supplemental ordinance pertaining to the Bonds pursuant to the provisions of this paragraph, the County shall publish a notice, setting forth in general terms the substance of such supplemental ordinance, at least once in a financial newspaper or journal printed in the English language, customarily published on each business day and of general circulation among dealers in municipal securities in the County of New York, New York. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of supplemental ordinance in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Any failure of the County to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental ordinance.

(c) *Supplemental Ordinance to Modify this Ordinance.* Upon the execution of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be modified and amended in accordance therewith and the respective rights, duties and obligations under this Ordinance of

the County, the Trustee and all registered owners of Bondholders, respectively, outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be and be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) *Trustee May Rely Upon Opinion of Counsel Re: Supplemental Ordinance.* The Trustee may receive an opinion of counsel as conclusive evidence that any supplemental ordinance executed pursuant to the provisions of this Section complies with the requirements of this Section.

(e) *Notation.* Bonds authenticated and delivered after the execution of any supplemental ordinance pursuant to the provisions of this Section may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new bonds, so modified as to conform, in the opinion of the Trustee and the Corporate Authorities, to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared by the County, authenticated by the Trustee and delivered without cost to the registered owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

### **Sec. 37. Effect of Consents.**

After an amendment or supplement to this Ordinance becomes effective, it will bind every Bondholder. For purposes of determining the total number of Bondholders' consents, each Bondholder's consent will be effective with respect to the Bondholder who consented to it and each subsequent holder of a Bond or portion of a Bond evidencing the same debt as the consenting holder's Bond.

### **Sec. 38. Signing by Trustee of Amendments and Supplements.**

The Trustee will sign any amendment or supplement to the Ordinance or the Bonds authorized hereunder if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 18 of this Ordinance) will be fully protected in relying on an opinion of counsel stating that such amendment or supplement is authorized by this Ordinance.

### **Sec. 39. Notices.**

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Ordinance or the Bonds must be in writing except as expressly provided otherwise in this Ordinance or the Bonds.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, addressed as follows: if to the County, to The County of Cook,

Illinois, 118 North Clark Street, Room 1127, Chicago, Illinois 60602, Attention: Chief Financial Officer; if to the Trustee, at such address as shall have been provided by the Trustee in writing to the Chief Financial Officer. Any addressee may designate additional or different addresses for purposes of this Section.

(c) Any notice or other communication required to any Bondholder shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, addressed to such Bondholder at the address set forth in the Bond Register.

(d) Any notice or other communication required to be given directly to any beneficial owner of \$500,000 or more in aggregate principal amount of Bonds then outstanding shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, to such beneficial owner at the address provided by the Depository.

#### **Sec. 40. Bondholders' Consents.**

In obtaining or receiving the consents of registered owners, the County may establish reasonable rules of procedure including, without limitation, rules relating to (i) a record date to fix the registered owners who are entitled to vote, (ii) solicitation of proxies and (iii) a meeting of the registered owners for the taking of actions. The registered owners of Bonds may vote their Bond interest in fractional shares. In the event that Bonds are registered in the name or names of nominees or depositories, consent of such owners by proxy in accordance with the applicable customs of the securities industry or rules of the Securities and Exchange Commission, Municipal Securities Rulemaking Board or other association or agency having jurisdiction shall be sufficient.

Any action, consent or other instrument shall be irrevocable and shall bind any subsequent owner of such Bond or any Bond delivered in substitution therefor.

For purposes of determining consent under this Ordinance of holders of the Bonds, the outstanding principal amount of the Bonds shall be deemed to exclude the Bonds owned by or under the control of the County.

#### **Sec. 41. Limitation of Rights.**

Nothing expressed or implied in this Ordinance or the Bonds shall give any person other than the Trustee, the County, or the Bondholders any right, remedy or claim under or with respect to this Ordinance.

**Sec. 42. Partial Invalidity.**

If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

**Sec. 43. List of Bondholders.**

The Trustee shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

**Sec. 44. Rights and Duties of Trustee.**

If requested by the Trustee, the President and Chief Financial Officer of the County are authorized to execute a mutually agreeable form of agreement between the County and the Trustee with respect to the obligations and duties of the Trustee as Trustee hereunder which may include the following:

- (a) to act as Trustee, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the County upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the County at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish the County at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds.

The County Clerk of the County is hereby directed to file a certified copy of this Ordinance with the Trustee.

**Sec. 45. Prior Inconsistent Proceedings.**

All ordinances, resolutions, motions or orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed.

**Sec. 46. Immunity of Officers and Employees of County.**

No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Ordinance contained against any past, present or future elected or appointed officer, director, member, employee or agent of the County, or of any successor public corporation, as such, either directly or through the County or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such elected or appointed officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the passage of this Ordinance and the issuance of such Bonds.

**Sec. 47. Passage and Approval.**

Approved and adopted this \_\_\_\_ day of \_\_\_\_\_, 2016.

TONI PRECKWINKLE, President,  
Cook County Board of Commissioners

Attest: DAVID ORR, County Clerk

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

**CERTIFICATION OF ORDINANCE, MINUTES  
AND PUBLICATION IN PAMPHLET FORM**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the “County”), and that as such official I am the keeper of the records and files of the Board of Commissioners of the County (the “Corporate Authorities”).

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the \_\_\_\_ day of \_\_\_\_\_, 2016, insofar as same relates to the adoption of an ordinance numbered \_\_\_\_ entitled:

**AN ORDINANCE providing for the issuance of General Obligation Refunding Bonds of The County of Cook, Illinois.**



(the “Ordinance”), a true, correct and complete copy of which Ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding said meeting at the location where said meeting was held and at the principal office of the Corporate Authorities; that said agenda described or made specific reference to said ordinance; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Counties Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code, except as validly superseded by the home rule powers of the County, and with all of the procedural rules of the Corporate Authorities in the adoption of said ordinance.

**Effective date:** This ordinance shall be in effect I do further certify that the Ordinance was published by authority of the Corporate Authorities in pamphlet form on the \_\_\_\_ day of \_\_\_\_\_, 2016, and the Ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as County Clerk located in the County.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the County, this \_\_\_\_ day of \_\_\_\_\_, 2016.

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**A motion was made by Vice Chairman Sims, seconded by Commissioner Steele, that this Ordinance be recommended for approval. The motion carried by the following vote:**

- Ayes:** Commissioners: Sims, Arroyo, Fritchey, García, Goslin, Morrison, Schneider, Silvestri, Steele and Suffredin (10)
- Nays:** Commissioner Boykin (1)
- Present:** Commissioners Daley, Gainer and Moore (3)
- Absent:** Commissioners Butler, Murphy and Tobolski (3)

**Chairman Daley requested that two memorandums from Ivan Samstein, Chief Financial Officer, regarding the bond refinance ordinance, be entered into the record.**

## 16-2566

**Sponsored by:** RICHARD R. BOYKIN, County Commissioner

### **PROPOSED ORDINANCE AMENDMENT**

#### **SPECIAL USE GASOLINE AND FUEL TAX**

**WHEREAS**, the 1970 Illinois Constitution, Article VII, Section 6 designates Cook County as a Home Rule Unit of Government; and,

**WHEREAS**, Cook County may exercise powers and perform functions as they relate to government, including the authority to regulate for the protection of the public health, safety, morals and welfare, and including taxation; and,

**WHEREAS**, pursuant to the Home Rule Unit authority, this Board is empowered to make necessary changes to the Laws and Ordinances of Cook County; and,

**WHEREAS**, the taxation power is best employed when the revenue from the imposed taxes are used to improve health, welfare and economic outcomes for the men, women, and children that Cook County is charged with serving; and,

**WHEREAS**, too many of the districts and neighborhoods in Cook County suffer from high levels of poverty and unemployment, placing great strain on the budget, resources, and operations of Cook County government; and,

**WHEREAS**, poverty and unemployment are demonstrably linked to increased crime, gang activity, drug use, and alcoholism; and,

**WHEREAS**, widespread poverty contributes to widespread physical and mental health challenges, the cost of which is borne by every resident of Cook County; and,

**WHEREAS**, unemployment levels in certain neighborhoods of Cook County exceed 20%, leading to a host of societal consequences including violence, proliferation of the sale and use of illegal narcotics, and housing and food insecurity; and,

**WHEREAS**, all of the above stated consequences of unemployment strain the court system, jail, health and hospitals system, and law enforcement units operating under the auspices of Cook County government; and,

**WHEREAS**, the proceeds of this tax will be exclusively dedicated to the implementation of four separate and related Cook County initiatives set forth via ordinance and designed to strengthen and stabilize neighborhoods in Cook County with high levels of poverty and unemployment, namely: (1) Cook County Jobs Council; (2) Cook County Parenting to Prevent Violence Initiative; (3) Cook County Office for People with Disabilities; (4) Cook County Community Policing Initiative;

**NOW THEREFORE, BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 7 - Taxation, Article XII - Gasoline and Fuel Tax, Sections 74-472, 74-483, and 74-484 of the Cook County Code are amended as follows:

#### **ARTICLE XII. - GASOLINE AND DIESEL FUEL TAX**

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**Sec. 74-472. - Tax imposed.**

(a)Tax rate. A tax is hereby imposed on the retail sale in Cook County of gasoline, diesel fuel, biodiesel fuel, and gdiesel fuel at the rate of \$0.06 per gallon or fraction thereof. The tax is to be paid by the purchaser, and nothing in this Article shall be construed to impose a tax upon the occupation of distributors, suppliers or retail dealers.

(b)The incidence of and liability for payment of the tax levied in this Article is to be borne by the consumer of the gasoline, diesel fuel, biodiesel fuel and gdiesel fuel. Therefore, it shall be deemed a violation of this Article for any distributor or retail dealer to fail to include the tax in the retail sale price of gasoline, diesel fuel, biodiesel fuel, gdiesel fuel or to otherwise absorb the tax.

(c)Taxable transactions. Except as provisions are made in this Article for the collection of the tax levied in this Article upon the sale of gasoline, diesel fuel, biodiesel fuel and gdiesel fuel in the possession of distributors or retail dealers on the effective date of the ordinance from which this Article is derived, the tax levied in this Article shall be collected by each distributor or supplier who sells gasoline, diesel fuel, biodiesel fuel, or gdiesel fuel to:

- (1) A retail dealer doing business in the County;
- (2) A consumer who purchases gasoline, diesel fuel, biodiesel fuel or gdiesel fuel directly from a Gas Distributor for delivery in the County; or
- (3) Another Gas Distributor doing business in the County that is not holding a valid registration certificate.

~~[(d) Reserved.]~~ (d) Special Use Tax. A tax in addition to the tax imposed by Sec. 74-472(a) is hereby imposed on the retail sale of gasoline, diesel fuel, biodiesel fuel, and gdiesel fuel at the rate of \$0.04 per gallon or fraction thereof. The additional revenue derived from this tax shall be used exclusively pursuant to Sec. 74-483 of this title and the continued existence of this tax shall be governed by Sec. 74-484 of this title. Therefore it shall be deemed a violation of this Article for any distributor, or retail dealer to fail to include the tax in the retail sale price of gasoline, diesel fuel, biodiesel fuel, gdiesel fuel, or to otherwise absorb the tax.

(e)Any Gas Distributor or supplier of gasoline, diesel fuel, biodiesel fuel or gdiesel fuel shall pay the tax levied by this Article to the Department. Any person receiving payment of this tax shall be a trustee for the County.

(f)If the retail dealer shall receive gasoline, diesel fuel, biodiesel fuel or gdiesel fuel upon which no tax has been collected by the distributor or supplier, and then the retail dealer shall collect such tax and remit it directly to the Department within 30 days of the receipt of such gasoline or diesel fuel.

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

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**Sec. 74-483 - Proceeds from the Special Use Tax**

(a)The proceeds from the tax imposed in Sec. 74-472(d) shall be dedicated to the implementation of four separate and related Cook County initiatives set forth via ordinance and designed to strengthen and stabilize neighborhoods in Cook County with high levels of poverty and unemployment, namely: (1) Cook County Jobs Council; (2) Cook County Parenting to Prevent Violence Initiative; (3) Cook County Office for People with Disabilities; (4) Cook County Community Policing Initiative;

**Sec. 74-484 -Expiration of the Special Use Tax**

The tax imposed in Sec. 74-472(d) shall expire at such time when the average price of gasoline reaches \$5.00 per gallon less the rate of the Special Use Tax and that average price is sustained for a period of thirty (30)

consecutive days. The tax rate imposed by Sec. 74-472(a) will remain effective upon the expiration of the Special Use Tax. Once the tax imposed in Sec. 74-472(d) expires, it shall only be renewed by an amendment to this title by the Cook County Board of Commissioners.

Amendments to Secs. 74-472(d), 74-483, and 74-484 will become effective on June 1, 2016 or upon passage and publication, whichever date is later.

**Effective date:** This ordinance shall be in effect on June 1, 2016 or upon passage and publication, whichever date is later.

**A motion was made by Commissioner Boykin, seconded by Commissioner Fritchey, that this Ordinance Amendment be recommended for deferral. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-2567**

**Sponsored by:** RICHARD R. BOYKIN, County Commissioner

### **PROPOSED ORDINANCE**

#### **COOK COUNTY JOBS COUNCIL**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 2- ADMINISTRATION, ARTICLE VI- BOARDS, COMMISSIONS AND COMMITTEES, DIVISION 5- COOK COUNTY JOBS COUNCIL, is hereby enacted as Follows:

#### **ARTICLE VI. - BOARDS, COMMISSIONS AND COMMITTEES**

##### DIVISION 5. - COOK COUNTY JOBS COUNCIL

##### Sec. 2-528.-Cook County Jobs Council

(a)There is hereby created a Cook County Jobs Council which shall consist of the following nine (9) individuals: the President of the Cook County Board of Commissioners; the Chair of the Cook County Board of Commissioners' Committee on Finance; the Chair of the Cook County Board of Commissioners' Committee on Workforce, Housing and Community Development; the Chair of the Cook County Board of Commissioners' Committee on Business and Economic Development; the Chair of the Cook County Board of Commissioners' Committee on Human Relations; the Chair of the Cook County Board of Commissioners' Committee on Roads and Bridges; the Director of Cook County's Bureau of Economic Development; the Director of Cook County's Highway Department; the Director of Cook County's Office of Contract Compliance.

(b)The Members of the Cook County Jobs Council shall, at their first meeting, designate among them two (2) co-chairs for the Council. The co-chairs shall have an established, professional background from either the private or not-for-profit sector. No public official may serve in the role of co-chair. It shall be the role and responsibility of the co-chairs to facilitate the strategic efforts of the Council to reduce unemployment in the areas designated by the Council.

(c) It shall be the duty of the Cook County Jobs Council to meet not less than once per month from the effective date of this ordinance in order to accomplish the following objectives on a regular and ongoing basis:

- (1) Identify the geographic boundaries of and designate the areas within Cook County where unemployment among those between the ages of 16-24 is equal to or greater than 10%;
- (2) For each of the above designated areas, craft a plan to expand employment opportunity for that area's residents, utilizing the revenue generated by the Special Use Gasoline and Fuel Tax to finance partnerships with private sector employers, and with an emphasis on incentivizing the hiring of unskilled labor in order to provide work opportunities for individuals without high school and / or college diplomas or trade certifications;
- (3) Where appropriate, identify highway and infrastructure projects in Cook County, and develop plans to hire unskilled labor and clerical staff from the high-unemployment areas to work on such projects. The scope of such projects should include but not be limited to:
  - a. Building and maintenance of public access spaces including parks and community gardens;
  - b. Roadway maintenance;
  - c. Sanitation projects;
  - d. The Cook County Jobs Council, via the Bureau of Economic Development and the Cook County Office of Contract Compliance shall have oversight over the hiring practices of business and contractors who are engaged by Cook County to perform public works projects to ensure that eligible individuals from the high-unemployment areas are provided an opportunity for employment.
  - e. The Cook County Jobs Council may develop jobs training and employee education programs designed to assist individuals from high-unemployment areas who do not qualify for unskilled labor and clerical work, with the goal of connecting those individuals with meaningful work opportunities in such other fields as food service; hospitality; retail employment; and technical or mechanical work.
  - f. The number and compensation of the clerical staff and other assistance to be engaged by the Cook County Jobs Council and the amount of expenses to be incurred by the Council shall be annually fixed by the County Board from the proceeds of the Special Use Gasoline and Fuel Tax. Where possible, clerical staff should be hired from the communities contemplated by Sec. 2-528(b)(1).
  - g. The County Jobs Council shall, at the end of each quarter of the fiscal year, make a report on its activities and progress and present that report to the Cook County Board of Commissioners.
  - h. Effective Date: The effective date of this ordinance shall be June 1, 2016 or upon passage and publication, whichever date is later.

**Effective date:** This ordinance shall be in effect June 1, 2016 or upon passage and publication, whichever date is later.

**A motion was made by Commissioner Boykin, seconded by Commissioner Fritchey, that this Ordinance be recommended for deferral. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-2569**

**Sponsored by:** RICHARD R. BOYKIN, County Commissioner

### **PROPOSED ORDINANCE AMENDMENT**

#### **PARENTING TO PREVENT VIOLENCE PROGRAM**

**WHEREAS**, violence has impacted and continues to impact the lives of too many citizens of Cook County; and,

**WHEREAS**, violence has proven tremendously costly to Cook County government in the administration of its hospitals, courts and jails; and,

**WHEREAS**, the President and the Cook County Board of Commissioners affirm their moral obligation to reduce the escalating trend of neighborhood violence in Cook County; and,

**WHEREAS**, the President and the Cook County Board of Commissioners wish to send a strong public message that violence is both unacceptable and preventable; and,

**WHEREAS**, the President and the Cook County Board of Commissioners wish to bolster this strong public message of zero tolerance for violence by strategically investing County resources in programs that attack the root cause of violence in our communities; and,

**WHEREAS**, the President and the Cook County Board of Commissioners have already shown themselves to be forward-thinking and pro-active in the establishment of the Justice Advisory Council and its Violence Prevention, Intervention and Reduction Programs; and,

**WHEREAS**, research clearly demonstrates that the more children are exposed to violence in their homes, the greater the risk that those children will demonstrate aggressive and violent behaviors in later in life; and,

**WHEREAS**, according to the World Health Organization, parent and family based interventions are among the most promising strategies for producing long-term reduction in youth violence;

**NOW THEREFORE, BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 2-Administration, Article VI-Boards, Commissions and Committees, Division 4-Cook County Violence Prevention, Intervention and Reduction Advisory Committee, Section 2-527 of the Cook County Code is amended as follows:

**Sec. 2-527. - Cook County Violence Prevention, Intervention and Reduction Programs.**

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(c) A “Parenting to Prevent Violence” program shall be administered by the Advisory Committee. Said program shall be implemented via the administration of grants to qualified 501(c)(3) and 501(c)(4) organizations, following a grant application process, request for proposal or request for qualification issued by the Justice Advisory Council. To be a qualified 501(c)(3) and 501(c)(4) organization to receive grant funds pursuant to this initiative, said organization must clearly demonstrate expertise and experience in the field of parenting education via information including, but not limited to certification, education level of providers, community profile, and written

scholarly or instructional materials. Grants issued to qualified 501(c)(3) and 501(c)(4) organizations shall be selected by the Advisory Committee subject to the approval of the Cook County Board of Commissioners. The Justice Advisory Council, via its Director, shall issue the grant application process for the “Parenting to Prevent Violence” Program and necessary related requests for proposal or requests for qualification and shall be authorized to execute said grant agreements as approved by the Cook County Board of Commissioners, subject to the process set forth in the Cook County Procurement Code, and further subject to the following conditions:

- (1) Grants administered pursuant to the Parenting to Prevent Violence program shall be annually fixed by the County Board from the proceeds of the Special Use Gasoline and Fuel Tax.
- (2) The total value of grants administered during the first full Fiscal Year of the Parenting to Prevent Violence Program shall be not less than \$2,000,000 dollars.

(d) Effective Date: The effective date of this ordinance amendment shall be June 1, 2016 or upon passage and publication, whichever date is later.

**Effective date:** This ordinance shall be in effect on June 1, 2016 or upon passage and publication, whichever date is later.

**A motion was made by Commissioner Boykin, seconded by Commissioner Fritchey, that this Ordinance Amendment be recommended for deferral. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-2570**

**Sponsored by:** RICHARD R. BOYKIN, County Commissioner

### **PROPOSED ORDINANCE**

#### **OFFICE FOR PEOPLE WITH DISABILITIES**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 38, Article VII, Sec. 38-165 of the Cook County Code is hereby enacted as follows:

#### **ARTICLE VII. OFFICE FOR PEOPLE WITH DISABILITIES**

##### **Sec. 38-165. Office for People with Disabilities**

(a) *Title.* This division shall be known and may be cited as the “Office for People with Disabilities Ordinance” of Cook County, Illinois.

(b) *Purpose and Policy.* Cook County is a place where your future is not limited by your race, ethnicity, gender, sexual orientation, disability, age, income, where you were born or where you live. Equity exists when everyone has access to opportunities necessary to satisfy essential needs, advance their well-being, and achieve their full potential. Equity is both the means to healthy communities and an end that benefits us all.

People who have disabilities are entitled to full inclusion as equal citizens in society and the opportunity to achieve their full economic, social, cultural, civic, and political potential. People who have disabilities are entitled

to the freedom to experience environments without discriminatory barriers that prevent people who have disabilities from participating in the decisions that affect them.

It is the policy of Cook County to resist and remove such barriers, to promote the full integration and participation of people with disabilities into all areas of economic, political, and community life, and to make it possible for them to realize their full potential and contribute to the common good.

(c) *Creation.* There is hereby created and established the Office for People with Disabilities. The Office for People with Disabilities will coordinate all activities, plans, and programs including, but not limited to providing assistance to the problems, concerns, and issues of people with disabilities.

(d) *Duties.* The Office for People with Disabilities shall:

- (1) Provide information to the Board of Commissioners concerning issues of importance to people with disabilities;
- (2) Assist in addressing fairly the concerns of people with disabilities, individually and as a protected class, under Cook County ordinances and other applicable laws;
- (3) Carry on research or otherwise obtain factual data, issue publications, and make recommendations that implement the policy of the Office;
- (4) Recommend policies and practices to all departments and offices of the County in matters affecting concerns of people with disabilities;
- (5) Encourage understanding between the community of people with disabilities and the larger Cook County Community through long-range projects;
- (6) Cooperate with the Board of Commissioners in formulating and executing comprehensive programs that enhance the opportunities for people with disabilities;
- (7) Recommend such legislative action as he or she may deem appropriate to implement the policy of the Office for People with Disabilities;
- (8) Enlist and encourage the cooperation of all public and voluntary agencies, racial, religious, and ethnic groups, community organizations, fraternal and benevolent societies, veteran organizations, professional and technical organizations, and other groups in Cook County working to implement the policy of the Office;
- (9) Report on a semi-annual basis to the Board of Commissioners. Such reports shall include an annual or semi-annual work plan, a briefing on the Office's public involvement process for soliciting community and citizen input in framing their annual work plans, and updates on the work plans.

(e) *Composition.* The Office for People with Disabilities shall be staffed with an affairs officer, a permanent position, who shall head the office, and two other personnel. Employees of the department shall receive such compensation as may be fixed by the Board of Commissioners, from the proceeds of the Special Use Gasoline and Fuel Tax.

(f) *Gifts.* The Office may accept offers of gifts or grants, including equipment, supplies, materials or funds, from the United States, the State of Illinois, their agencies or officers, or from any person, firm, or corporation. The Office may expend such receipts on projects that implement the policy of the Office.



(g) *Funds*. The Office for People with Disabilities shall be annually appropriated a total amount of \$1,147,191 for its administrative and operational requirements on the basis of the approved work and financial plans. The breakdown of the appropriated amount is \$1,042,707 for personnel services, \$82,542 for contractual services, \$12,403 for travel, and \$9,539 for commodities. With the exception of the funds described in paragraph (f) of this ordinance, funds appropriated for the Office for People with disabilities shall be derived from the proceeds of the Special Use Gasoline and Fuel Tax.

**Effective date:** This ordinance shall be in effect June 1, 2016 or upon passage and publication, whichever date is later.

**A motion was made by Commissioner Boykin, seconded by Commissioner Fritchey, that this Ordinance be recommended for deferral. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## **16-2571**

**Sponsored by:** RICHARD R. BOYKIN, County Commissioner

### **PROPOSED RESOLUTION**

#### **A RESOLUTION OF THE COOK COUNTY BOARD OF COMMISSIONERS APPROPRIATING FUNDS DERIVED FROM THE SPECIAL USE GASOLINE AND FUEL TAX FOR THE PURPOSE OF ESTABLISHING A COOK COUNTY COMMUNITY POLICING INITIATIVE TO BE OVERSEEN BY THE SHERIFF OF COOK COUNTY**

**WHEREAS**, incidents of gun violence and homicide are rapidly escalating in Chicago and Cook County in 2016; and,

**WHEREAS**, since January of 2016, over 600 people have been shot in the City of Chicago, with over 120 people killed; and,

**WHEREAS**, in 2015, 2,987 people were shot in the City of Chicago, with 488 people killed; and,

**WHEREAS**, if current trends continue, 2016 will see more people shot and killed in Chicago were shot and killed in 2015; and,

**WHEREAS**, the escalation of gun violence and gang warfare in certain Chicago neighborhoods has created an atmosphere of danger and posed constant and intolerable risk to the life, liberty and property of citizens of Cook County; and,

**WHEREAS** the President of the County Board and the Cook County Board of Commissioners wish to affirm the moral obligation of Cook County Government to provide for the health, welfare and safety of the residents of Cook County; and,

**WHEREAS**, the health, welfare, and safety of certain residents of Cook County are consistently and fundamentally threatened by the constant threat of neighborhood violence; and,

**WHEREAS** it is both possible and necessary to pinpoint and describe the geographic boundaries of the neighborhoods and the communities in Cook County where the level of gun violence is highest; and,

**WHEREAS**, the Cook County Sheriff's Office is responsible for a police force with extraordinary capability and commitment to the public good; and,

**WHEREAS**, the Cook County Sheriff has participated in public safety operations designed to support the Chicago Police Department by providing reinforcements and additional manpower with respect to the policing of high crime areas; and,

**WHEREAS**, in January of 2016 Sheriff Tom Dart and then-Interim Chicago Police Superintendent John Escalante partnered in a community initiative designed to more effectively and cooperatively combat gang violence; and,

**WHEREAS**, the Cook County Sheriff has unquestionably shown itself to be an able and productive partner to the Chicago Police Department in bolstering police efforts to achieve public safety; and,

**WHEREAS**, the spike in gun violence thus far in 2016 makes the increased participation of the Cook County Sheriff in such community policing efforts to be necessary and, in fact, indispensable;

**NOW, THEREFORE BE IT RESOLVED**, by the President of the Cook County Board and the Cook County Board of Commissioners, that a "Cook County Community Policing Initiative" to be overseen by the Cook County Sheriff is hereby established; and,

**BE IT FURTHER RESOLVED**, by the President of the County Board and the Cook County Board of Commissioners that Cook County Community Policing Initiative shall be funded via proceeds derived from proceeds of the Special Use Gasoline and Fuel Tax; and,

**BE IT FURTHER RESOLVED**, by the President of the County Board and the Cook County Board of Commissioners that the Cook County Community Policing Initiative shall, in its initial stages consist of the hiring of no less than 15 additional Sheriff's Police Officers who shall be assigned the primary task of Community Policing in Cook County neighborhoods with high levels of violence; and,

**BE IT FURTHER RESOLVED**, by the President of the County Board and the Cook County Board of Commissioners that funds appropriated from the proceeds of the Special Use Gasoline and Fuel Tax for the Cook County Community Policing Initiative shall total not less than \$2 million dollars; and,

**BE IT FURTHER RESOLVED**, by the President of the County Board and the Cook County Board of Commissioners that the Cook County Community Policing Initiative shall commence no later than June 1, 2016 or upon passage and publication of this resolution, whichever date is later.

**A motion was made by Commissioner Boykin, seconded by Commissioner Fritchey, that this Resolution be recommended for deferral. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri, Steele, and Suffredin (14)

**Absent:** Commissioners Butler, Murphy, and Tobolski (3)

## 16-2614

Sponsored by: RICHARD R. BOYKIN, County Commissioner

### PROPOSED ORDINANCE AMENDMENT

#### LOCAL BUSINESS PREFERENCE

**WHEREAS**, the 1970 Illinois Constitution, Article VII, Section 6 designates Cook County as a Home Rule Unit of Government; and

**WHEREAS**, Cook County may exercise powers and perform functions as they relate to government, including the authority to regulate for the protection of the public health, safety, morals and welfare; and including the power to tax; and

**WHEREAS**, when the revenue generated by Cook County taxes are used in accordance with the Cook County Procurement Code, the funds are best used when they are put back into the Cook County economy; and

**WHEREAS**, Cook County businesses are a driving force for employment and economic development in the County; and

**WHEREAS**, spending public dollars with Cook County businesses serves the sound policy of increasing employment, fostering economic development and strengthening the economy of the County; and

**WHEREAS**, expanding the preference given to Cook County businesses helps to further these policy goals; and

**WHEREAS**, the Cook County Board of Commissioners is empowered to make necessary changes to the Procurement Code.

**NOW THEREFORE, BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 34 - Finance, Article IV - Procurement Code, Division 6 - Bid Incentives and Preferences, Section 34-230 of the Cook County Code be amended as follows:

#### **Sec. 34-230. - Local business preference; all contracts.**

The CPO shall recommend award of the Procurement to the lowest Responsible and Responsive Bidder which is a Local Business, so long as the Bid of such Bidder does not exceed the Bid of the lowest Responsive and Responsible Bidder by more than ~~five percent~~ ten percent; or if the lowest Responsive and Responsible Bidder receives Earned Credit under Secs. 34-234, 34-236, 34-237, or 34-239 the Bid of such Bidder does not exceed the Credited Bid by more than seven and one-half percent.

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

**A motion was made by Commissioner Boykin, that this Ordinance Amendment be recommended for approval. This Ordinance Amendment died for lack of a second.**

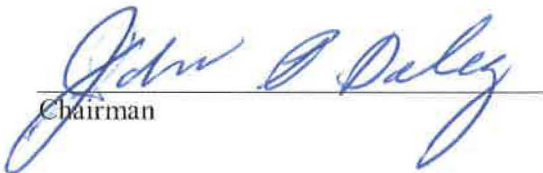
**ADJOURNMENT**

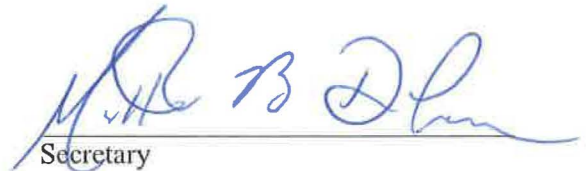
**A motion was made by Vice Chairman Steele, seconded by Commissioner Sims, that this be to adjourn the meeting. The motion carried by the following vote:**

**Ayes:** Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Butler, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri and Suffredin (14)

**Absent:** Commissioners Murphy, Steele and Tobolski (3)

Respectfully submitted,

  
Chairman

  
Secretary