



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

File #: 21-1048, Version: 1

PROPOSED ORDINANCE AMENDMENT

AMENDMENT TO TAXING DISTRICT DEBT DISCLOSURE ORDINANCE

WHEREAS, there are currently 444 Tax Increment Financing (“TIF”) Districts in Cook County; and

WHEREAS, over \$1 billion of taxpayer money goes to TIF Districts annually; and

WHEREAS, transparency of government spending is necessary to ensure that government bodies can be held accountable by the taxpayers they serve; and

WHEREAS, Illinois law does not currently mandate that municipalities report the vendors or other entities to which TIF District expenditures are made.

NOW, THEREFORE, BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 2 Administration, Article IV Officers and Employees, Division 4 Treasurer, Subdivision 1 In General Section 2-243 of the Cook County Code is hereby amended as follows:

Sec. 2-243. - Taxing district debt and Tax Increment Financing District costs disclosure.

(a) *Definitions.*

Actuarial accrued liability (AAL), other postemployment benefits (OPEB), unfunded actuarial accrued liability (UAAL), total pension liability (TPL), net pension liability (NPL), fiduciary net position (FNP) and healthcare cost trend rate shall have the same meanings ascribed to such terms under the generally accepted accounting principles for governmental accounting promulgated from time to time by the Governmental Accounting Standards Board.

Actuarial cost method, amortization method, asset valuation method, investment rate of return, and any other actuarial terms used and not defined herein shall have the same meanings as defined by Actuarial Standards of Practice, as promulgated from time to time by the Actuarial Standards Board.

Audited financial statements, current debt, current liabilities, long-term debt, long-term liabilities and any other accounting terms used and not defined herein shall have the same meanings as defined by Generally Accepted Accounting Principles, as promulgated from time to time by the American Institute of Certified Public Accountants, and shall conform with the accounting principles and auditing standards generally accepted in the United States, including without limitation those generally accepted accounting principles for governmental accounting as are set forth in publications of the Governmental Accounting Standards Board.

Special Tax Allocation Fund shall mean the fund into which a Taxing District deposits tax dollars attributable to an increase in equalized assessed value over the initial equalized assessed value of properties in a Tax Increment Financing District, as described in 65 ILCS 5/11-74.4-8(b).

Taxing District shall have the same meaning as defined by 35 ILCS 200/1-150.

Tax Increment Financing District Redevelopment Project shall mean a project using tax increment financing to develop a blighted area, pursuant to the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4, et seq.

Tax Increment Financing District Redevelopment Project Costs shall have the same meaning as defined by 65 ILCS 5/11-74.4-3(q).

Total Pension Liability shall mean the sum total of all liabilities of a public pension fund established in the Illinois Pension Code and associated with employees of a Taxing District in respect of the pension obligations of such Taxing District. Total Pension Liability includes the TPL for pension benefits.

Total Unfunded Pension Liability shall mean the sum total of all unfunded liabilities of a public pension fund established in the Illinois Pension Code and associated with employees of a Taxing District in respect of the pension obligations of such Taxing District. Total Unfunded Pension Liability includes the NPL for pension benefits.

Total OPEB Liability shall mean the sum total of all reported liabilities of a Taxing District in respect to OPEB obligations as reported for such Taxing District, whether the OPEB is provided by the Retirement Fund associated with the Taxing District or the Taxing District itself. Total OPEB Liability includes the AAL for OPEB, whether provided by the Retirement Fund associated with the Taxing District or the Taxing District itself.

Total Unfunded OPEB Liability shall mean the sum total of all reported unfunded liabilities of a Taxing District in respect to OPEB obligations as reported for such Taxing District, whether the OPEB is provided by the Retirement Fund associated with the Taxing District or the Taxing District itself. Total Unfunded OPEB Liability includes the UAAL for OPEB, whether provided by the Retirement Fund associated with the Taxing District or the Taxing District itself.

(b) *Duty of Taxing Districts to disclose all debt.* Each Taxing District shall, on or before 30 days after such Taxing District's most recent audited financials have been issued, provide to the Office of the Cook County Treasurer, in the electronic format required by Office of the Cook County Treasurer, a full, complete, unabridged and unedited copy of such Taxing District's most recent audited financial statement (along with any and all auditor's reports on such audited financial statements), accompanied by such Taxing District's written disclosure of the following information:

- (1) Sum total of all debts and liabilities from such financial statement(s);
- (2) The portion of the total amount reported in Subsection (b)(1) above that represents the total NPL for all pension benefits;
 - (3) Sum total of gross tax levy for the most recent tax year;
 - (4) Gross operating budget revenue for the most recent fiscal year;
 - (5) Total Pension Liability;
- (6) Total Unfunded Pension Liability, which shall be denoted as a separate line item below Total Pension Liability;
- (7) Total OPEB Liability as reported;
- (8) Total Unfunded OPEB Liability as reported, which shall be denoted as a separate line item below Total OPEB Liability;
- (9) Actuarial cost method utilized by the Taxing District in its calculations of Total Pension Liability and Total Unfunded Pension Liability;

- (10) Asset valuation method utilized by the Taxing District in its calculation of Total Unfunded Pension Liability;
- (11) Each of the following actuarial assumptions underlying the Taxing District's calculations of Total Pension Liability, Total Unfunded Pension Liability, Total OPEB Liability and Total Unfunded OPEB Liability as applicable:
 - a. Investment rate of return;
 - b. Annual rate of salary increases;
 - c. Participant mortality rate;
 - d. Healthcare cost trend rate for OPEB benefits;
- (12) Total agency employees or full time equivalents (FTE), as of the most recent fiscal year;
- (13) An electronic copy of the most recent actuarial valuation(s) prepared in accordance with the provisions of GASB 67/68 for all taxing district Pension Liabilities;
- (14) Total pension fund retirees and the beneficiaries of said retirees receiving pension benefits, as of the most recent fiscal year;
- (15) Name and contact information (including telephone number, fax number, and email address, if available) for the chief elected official of the Taxing District and for the chief finance official of the Taxing District;
- (16) If the Taxing District is a county, city, village, or incorporated town, the current total population of such Taxing District;

(c) Duty of Taxing Districts to disclose Tax Increment Financing District Redevelopment Project financial information and costs. Each Taxing District shall, on or before 30 days after such Taxing District's most recent audited financials have been issued, provide to the Office of the Cook County Treasurer, in the electronic format required by Office of the Cook County Treasurer:

- (1) The information provided to the State of Illinois for each Tax Increment Financing ("TIF") District Redevelopment Project pursuant to 65 ILCS 5/11-74.4-5(d);
- (2) The total dollar amount of all TIF District Redevelopment Project Costs, if any, paid from the Taxing District's Special Allocation Fund for the previous fiscal year, with a breakdown of the following for each TIF Redevelopment Project:
 - a. Category of eligible TIF District Redevelopment Project Cost, as categorized in the provisions of 65 ILCS 5/11-74.4-3(q);
 - b. Name of vendor, contractor, or Taxing District to which payment was made; and
 - c. Dollar amount paid; and
- (3) For all administrative, management, and staff costs, whether paid directly by the TIF District or paid by a Taxing District and reimbursed with funds from the Special Allocation Fund, the name of the employee, job title, and amount paid; and

(4) For any and all contracts that the Taxing District's tax increment advisor and/or consultants have entered into with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the same redevelopment project area, copies of all contracts, in an electronic format required by the Cook County Treasurer's Office; and

(5) For all vendors and/or contractors disclosed in Section 2-243(c)(2)(b), any and all Economic Disclosure Statements submitted by that vendor and/or contractor to the Taxing District; and

(6) Any and all dollar amounts in the Taxing District's Special Allocation Fund that were re-allocated from one TIF Redevelopment Project to another, pursuant to 65 ILCS 5/11-74.4-4(q), including the name of the TIF Redevelopment Project from which the funds were transferred, the name of the TIF Redevelopment Project to which the funds were transferred, and any and all documentation reflecting the reason for the transfer.

(d) Within 60 days of the effective date of this provision, each Taxing District shall also provide to the Cook County Treasurer's Office the information required to be disclosed by Subsection (c), with respect to the previous five fiscal years.

(e)(e) In the event that a Taxing District does not have an audited financial statement for the most recent fiscal year, such Taxing District shall in lieu thereof provide to the Office of the Cook County Treasurer the most recent unaudited financial statement of such Taxing District, provided in all events that such unaudited financial statement shall include disclosures of the subject Taxing District's actual or contingent current debt, current liabilities, long term debt and long term liabilities. A Taxing District, whose financial statements are included or consolidated in the financial statements of another Taxing District, is not required to separately provide the required financial statements in the event said other Taxing District is in compliance with the requirements of this Ordinance.

(d)(f) Independent of the duty of Taxing Districts to make annual disclosures pursuant to Subsections (b) and (c) above, each Taxing District shall initially provide to the Office of the Cook County Treasurer, in the electronic format required by the Office of the Cook County Treasurer, a written disclosure containing the information required under Subsections (b)(13) above by July 29, 2016.

(e)(g) Duty of Treasurer to make available disclosure of debt and TIF District Redevelopment Project Costs. The Office of the Cook County Treasurer shall:

(1) Create an electronic repository for the storage of all financial disclosures made by such Taxing Districts; and

(2) Cause to be published on each regularly issued real estate tax bill the website address which provides, to taxpayers and other interested parties, electronic access to such financial disclosures by such Taxing Districts.

(f)(h) Publication of disclosures. The Office of the Cook County Treasurer may, in the sole discretion of the Cook County Treasurer:

(1) Publish on the Cook County Treasurer's official website the names of any Taxing Districts that have failed to comply fully with the requirements of this Ordinance; and,

(2) Publish from time to time (but in no event more frequently than twice per calendar year) in one or more newspapers having a circulation within Cook County (i) any disclosures provided by Taxing Districts pursuant to this Ordinance or otherwise and/or (ii) the names of any Taxing Districts that have failed to comply fully with the requirements of this Ordinance.

(g)(i) Duty of Taxing District to provide and maintain contact information. In the event of any change to the contact information provided by a Taxing District pursuant to Subsection (b)(15), the Taxing District shall forthwith provide

revised and up-to-date contact information to the Office of the Cook County Treasurer.

Effective Date: This amendment will become effective 60 days after it becomes law.