



# Board of Commissioners of Cook County

118 North Clark Street  
Chicago, IL

## Legislation Details (With Text)

<b>File #:</b>	16-5739	<b>Version:</b>	3	<b>Name:</b>	COOK COUNTY TAXATION PREDICTABILITY AMENDMENT
<b>Type:</b>	Ordinance Amendment	<b>Status:</b>	Approved		
<b>File created:</b>	10/4/2016	<b>In control:</b>	Finance Committee		
<b>On agenda:</b>	10/5/2016	<b>Final action:</b>	11/10/2016		
<b>Title:</b>					
<b>Sponsors:</b>	JOHN A. FRITCHEY, LARRY SUFFREDIN, TONI PRECKWINKLE (President), LUIS ARROYO JR, RICHARD R. BOYKIN, JERRY BUTLER, JOHN P. DALEY, BRIDGET GAINER, JESÚS G. GARCÍA, GREGG GOSLIN, EDWARD M. MOODY, STANLEY MOORE, SEAN M. MORRISON, TIMOTHY O. SCHNEIDER, PETER N. SILVESTRI, DEBORAH SIMS, ROBERT STEELE, JEFFREY R. TOBOLSKI				

### Indexes:

### Code sections:

### Attachments:

Date	Ver.	Action By	Action	Result
11/10/2016	2	Board of Commissioners	approve as amended	Pass
11/10/2016	2	Finance Committee	amend	Pass
11/10/2016	2	Finance Committee	recommend for approval as amended	Pass
11/10/2016	2	Finance Committee	suspend the rules	Pass
10/26/2016	1	Finance Committee	suspend the rules	Pass
10/26/2016	1	Finance Committee	amend	Pass
10/26/2016	1	Finance Committee	withdraw	
10/5/2016	1	Board of Commissioners	refer	Pass

### PROPOSED AMENDMENT 1 TO ITEM 16-5739 AS AMENDED

(Finance Public Hearing and Committee 11/10/16)

### UPDATED TO INCLUDE ALL MEMBERS AS SPONSORS

**Sponsored by:** JOHN A. FRITCHEY, LARRY SUFFREDIN, TONI PRECKWINKLE, President, JOHN P. DALEY, STANLEY MOORE, LUIS ARROYO JR., RICHARD R. BOYKIN, JERRY BUTLER, BRIDGET GAINER, JESÚS G. GARCÍA, GREGG GOSLIN, EDWARD M. MOODY, SEAN M. MORRISON, TIMOTHY O. SCHNEIDER, PETER N. SILVESTRI, DEBORAH SIMS, ROBERT B. STEELE and JEFFREY R. TOBOLSKI, Cook County Board of Commissioners

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

**NOW THEREFORE BE IT ORDAINED**, by the Cook County Board of Commissioners that Chapter 74, TAXATION, Article IV. - RETAILERS' OCCUPATION TAX, Sections 74-150 through ~~74-151~~ 74-154 be amended as follows:

## ARTICLE IV. - RETAILERS' OCCUPATION TAX

### Sec. 74-150. - Short title.

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

### Sec. 74-151. - Imposed.

As authorized by 55 ILCS 5/5-1006 (home rule county retailers' occupation tax law), a tax is imposed Countywide upon all persons in the County engaged in the business of selling tangible personal property at retail, at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012 through December 31, 2012; three-quarters percent (0.75%) through December 31, 2015; and one and three-quarters percent (1.75%) thereafter of the gross receipts from such sales made in the course of such business. The County Board may adopt an increase in the Retailers' Occupation Tax if approved by a two-thirds vote of the members of the County Board then holding office, provided that the County Board shall not increase the Retailers' Occupation Tax for 36 months following any previous increase of such tax or any increase of the Cook County Property Tax Levy. The tax shall be paid in the manner provided in such statute.

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

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

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

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

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

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

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

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

**BE IT FURTHER ORDAINED**, that Chapter 74, TAXATION, Article V. - SERVICE OCCUPATION TAX, Sections 74-190 through ~~74-191~~ 74-193 be amended as follows:

ARTICLE V. - SERVICE OCCUPATION TAX

Sec. 74-190. - Short title.

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

Sec. 74-191. - Imposed.

As authorized by 55 ILCS 5/5-1007 (home rule county service occupation tax law), a tax is imposed Countywide upon all persons in the County engaged in the business of making sales of service at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012 through December 31, 2012; three-quarters percent (0.75%) through December 31, 2015; and one and three-quarters percent (1.75%) thereafter of the selling price of all tangible personal property transferred by such serviceperson either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. ~~The County Board may adopt an increase in the Service Occupation Tax if approved by a two-thirds vote of the members of the County Board then holding office, provided that the County Board shall not increase the Service Occupation Tax for 36 months following any previous increase of such tax or any increase of the Cook County Property Tax Levy.~~ The tax shall be paid in the manner provided in such statute.

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

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

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

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

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

**BE IT FURTHER ORDAINED**, that Chapter 74, TAXATION, Article II. - REAL PROPERTY TAXATION, Section 74-38 be amended as follows:

ARTICLE II. - REAL PROPERTY TAXATION

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

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

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

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

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

(e) Upon passage, implementation and enforcement of the Cook County Sweetened Beverage Tax, the ~~The County Board shall not increase the Aggregate Levy in excess of the limitation set forth in Subsection (b)~~ between tax years 2017, 2018 and 2019. ~~for 36 months following any previous increase of such levy or any increase of the Cook County Retailers' Occupation Tax and Service Occupation Tax.~~

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

**Effective Date:** This ordinance shall take effect upon adoption.