



Office of the Chicago City
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O2011-7117

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	9/8/2011
Sponsor(s):	Rahm Emanuel
Type:	Ordinance
Title:	Execution of intergovernmental agreement with County of Cook regarding data sharing and debt-related license holds
Committee(s) Assignment:	Committee on Budget and Government Operations



BUDG.

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

September 8, 2011

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Comptroller, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the County of Cook regarding data sharing and debt-related license holds.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

WHEREAS, Article VII, Section 10 of the Illinois Constitution, the Illinois Intergovernmental Cooperation Act, 5 ILCS 220, and other applicable law permit units of local government to cooperate with and support each other in exercise of their authority and the performance of their responsibilities; and

WHEREAS, the City of Chicago and the County of Cook share the common goal of ensuring that natural and legal persons fully comply with those laws through which said City and County serve those who reside, visit, and conduct business in their respective boundaries; and

WHEREAS, the City of Chicago and the County of Cook likewise share the common goal of exercising their authority and fulfilling their responsibilities in an efficient and cost-effective manner; and

WHEREAS, the City of Chicago and the County of Cook likewise share the common goal of ensuring that those who reside, visit, and conduct business in their respective boundaries are not called upon to pay more than their fair share of taxes and fees; and

WHEREAS, the City of Chicago and the County of Cook likewise share the common goal of protecting the privacy and other interests of those who reside and conduct business in said City and County's municipal boundaries; and

WHEREAS, the City of Chicago and the County of Cook likewise share the common goal of sharing tax information and enforcement data to increase compliance and enhance revenue;

WHEREAS, it is in the best interests of the City of Chicago to enter into an agreement with the County of Cook to share revenue information and enforcement procedures to increase compliance and enhance revenue for the City of Chicago; now therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor is hereby authorized to enter into an intergovernmental cooperation agreement, substantially in the form attached as Exhibit 1, with the County of Cook to share revenue information and enforcement procedures to increase compliance and enhance revenue for the City of Chicago.

SECTION 2. The Mayor shall designate such persons and/or departments as he deems appropriate to perform, or cause to be performed, the functions of the City as set forth in the agreement.

SECTION 3. The Mayor, the Department of Finance, and the Department of Business Affairs and Consumer Protection are further authorized to take such actions and to execute such other agreements as may be necessary or appropriate in order to implement the terms of the agreement or otherwise necessary or appropriate to carry out the intent of this ordinance.

SECTION 4. Section 2-25-050 of the Municipal Code of Chicago is amended by deleting the language stricken through and adding the language underscored as follows:

2-25-050 Powers and duties of the department.

(a) General powers and duties. The commissioner and department shall have powers and duties related to business affairs and consumer protection as set forth in this section and elsewhere in this chapter and Code.

(b) Powers and duties of the commissioner and the department. The powers and duties of the commissioner and department shall be as follows:

(Omitted text is unaffected by this ordinance.)

(31) To review city records regarding property owners who pay city water bills and persons who have worker's compensation claims against the city, and in cooperation with the commissioner of water management and corporation counsel, respectively, (i) to identify those owners and claimants with child support delinquencies, and (ii) to provide information, to the extent allowed by law, on such owners and claimants to the appropriate Cook County and State of Illinois governmental entities and to assist those offices in enforcement of child support obligations, and (iii) to provide, to the extent allowed by law, the names of such property owners or claimants, and, if known, the business address of such property owners or claimants, to persons or their legal representatives seeking to enforce court-ordered child support arrearages and child support withholding notices on the condition that such information be used solely for the purpose of assisting in enforcement of child support obligations. Provided, however, that the names and identifying information of persons seeking to enforce child support orders shall be deemed to be confidential; and

(32) To exercise powers and perform duties pursuant to an agreement between the City of Chicago and the County of Cook that is approved by the City Council, including the sharing of documents and information, and including the withholding of the issuance or renewal of a license under Section 4-4-150 or the suspension of a license under Section 4-4-280, for the purpose of facilitating the collection of taxes, fees, accounts payable, debts, and other revenues by the City and the County.

SECTION 5. Section 2-80-040 of the Municipal Code of Chicago is amended by deleting the language stricken through and adding the language underscored as follows:

2-80-040 Powers and duties of the department.

The department of revenue shall have the following powers and duties:

(a) To administer and enforce all of the responsibilities, powers and duties delegated to it in every tax ordinance presently contained in or to be included in the Municipal Code of Chicago; provided, however, that where said tax revenues are now and are continued to be collected by the State of Illinois for and in behalf of the City of Chicago and remitted to the City of Chicago, the department shall act solely in an advisory capacity with respect to such collections;

(Omitted text is unaffected by this ordinance.)

(q) To negotiate and enter into, subject to the approval of the city council, licensing agreements or intergovernmental agreements for the use of the parking and compliance violation system, including any agreement for the marketing thereof; and

(r) To exercise powers and perform duties pursuant to an agreement between the City of Chicago and the County of Cook that is approved by the City Council, including the sharing of documents and information, for the purpose of facilitating the collection of taxes, fees, accounts payable, debts, and other revenues by the City and the County.

SECTION 6. Section 4-4-150 of the Municipal Code of Chicago is amended by deleting the language stricken through and adding the language underscored as follows:

4-4-150 Indebtedness – License ineligibility.

(a) Whenever used in this section, the term “debt” shall mean:

(1) a sum of money owed to the city for which the period granted for payment has expired, including, but not limited to, any obligation or payment of a sum of money owed to the city pursuant to a court order or an order of the department of administrative hearings that has not been stayed by a court of competent jurisdiction, and in the case of a “tax” within the meaning of Section 3-4-020 of this Code, includes any unpaid tax liability, whether or not an assessment has been issued;

(2) any obligation or payment of a sum of money owed to a third party, including restitution, pursuant to an order of the department of administrative hearings that has not been stayed by a court of competent jurisdiction;

(3) a parking ticket, notice of parking violation, or parking violation complaint on which full payment has not been made or an appearance has not been filed in the Circuit Court of Cook County within the time specified on the complaint;

(4) a sum of money owed to the State of Illinois when the city has received certification from the state that the license applicant has been given notice and an opportunity to contest the state's determination that he or she owes the sum of money; ~~and/or~~

(5) a sum of money owed to the Metropolitan Pier and Exposition Authority for the M.P.E.A. Airport Departure Tax.

(6) a sum of money owed to the County of Cook when the city has received certification from the county, pursuant to procedures agreed upon by the county and the city, that the license applicant has been given notice and an opportunity to contest the county's determination that he or she owes the sum of money.

(b) No initial or renewal license shall be issued to any license applicant who has acquired any outstanding debt, unless and until such person satisfies all outstanding debts or by authority of the city council discharges all such indebtedness in accordance with the terms and conditions fixed by the city council. Except as provided in Section ~~4-60-040(e)(2)~~ 4-60-040(c)(3) for applicants for a city retailer's license for the sale of alcoholic liquor, a license applicant shall further be ineligible for a license if any person owning, either directly or indirectly, more than a 25 percent interest in the license applicant has acquired any outstanding debt. For purposes of this subsection (b), a "25 percent interest" shall mean 25 percent of the combined voting power or fair market value of all stock, partnership interests or other ownership interests in the applicant or the right to receive at any time the distribution of 25 percent of the income or profits of the applicant.

(c) Notwithstanding the provisions of subsection (b) herein, the city may issue an initial or renewal license to a license applicant if the commissioner of business affairs and consumer protection or other appropriate city department or agency determines that:

(1) The license applicant, if the applicant owes a debt, and each person owning more than a 25 percent interest in the license applicant and owing a debt has entered into an agreement with a court of competent jurisdiction, the department of business affairs and consumer protection or other appropriate city department or agency, the State of Illinois, the Metropolitan Pier and Exposition Authority, the County of Cook or third party for the payment of all debts owed and each debtor is in compliance with the agreement; or

(2) The license applicant, if the applicant owes a debt, and each person owning more than a 25 percent interest in the license applicant and owing a debt is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or

(3) The license applicant, if the applicant owes a debt, and each person owning more than a 25 percent interest in the license applicant and owing a debt has filed a petition in bankruptcy and the debts owed are dischargeable in bankruptcy.

For purposes of subsection (c)(2) an administrative proceeding shall include a pending audit by a government agency.

(Omitted text is unaffected by this ordinance.)

SECTION 7. This ordinance shall be in full force and effect upon its passage and approval.

Exhibit 1 is attached to this ordinance and reads as follows:

INTERGOVERNMENTAL AGREEMENT FOR COOPERATION BETWEEN THE CITY OF CHICAGO AND THE COUNTY OF COOK ON CERTAIN MATTERS

This Intergovernmental Agreement (the "Agreement"), dated as of _____, 2011 is made by and between the County of Cook, a body politic and corporate and unit of local government under the Constitution of the State of Illinois, having its principal offices at 118 North Clark Street, Chicago, Illinois 60602 (the "County"), by and through its Department of Revenue (the "County Department"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government under the Constitution of the State of Illinois having its offices at 121 North LaSalle Street, Chicago, Illinois 60602 (the "City"), by and through its Department of Revenue and its Department of Business Affairs and Consumer Protection (the "City Departments"). The County and the City are each referred to herein as a "Party" and collectively as the "Parties".

I. RECITALS

WHEREAS, Article VII, Section 10 of the Illinois Constitution, the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., and other applicable law permit units of local government to cooperate with and support each other in exercise of their authority and the performance of their responsibilities; and

WHEREAS, the City and the County share the common goal of ensuring that natural and legal persons fully comply with those laws through which said City and County serve those who reside, visit, and conduct business in their respective boundaries; and

WHEREAS, the City and the County likewise share the common goal of exercising their authority and fulfilling their responsibilities in an efficient and cost-effective manner; and

WHEREAS, the City and the County likewise share the common goal of ensuring that those who reside, visit, and conduct business in their respective boundaries are not called upon to pay more than their fare share of taxes and fees; and

WHEREAS, the City and the County likewise share the common goal of protecting the privacy and other interests of those who reside and conduct business in said City and County's municipal boundaries; and

WHEREAS, the City and the County likewise share the common goal of sharing tax information and enforcement data to increase compliance and enhance revenue;

NOW THEREFORE, in consideration of the promises, covenants, terms and conditions set forth in this Agreement, the Parties hereto hereby agree as follows:

II. INCORPORATION OF RECITALS

The above recitals are incorporated into this Agreement as if fully set forth herein.

III. TERM

This Agreement shall commence on the date of execution by authorized governmental party representatives after required approval is obtained from the Cook County Board and the Chicago City Council. Either party may terminate this Agreement at any time upon ninety (90) days written notice to the other party.

IV. SCOPE OF AGREEMENT

1. Pursuant to procedures and protocols as permitted by law and as promulgated by the City Departments, singly or jointly with the County Department, collectively referred to as the "Departments," said Departments may:
 - a. Exchange and share information and technology to facilitate the collection of taxes, fees, accounts payable, debts, and other revenues by said Departments, including information regarding (i) actual, alleged, or reported tax ordinance violations; (ii) actual, alleged, or reported tax ordinance violators; (iii) tax audits and investigations; and (iv) related findings of fact and conclusions of law;
 - b. Implement mutually agreed upon investigation procedures to support and enforce the collection of tax revenues by said Departments; and
 - c. Implement mutually agreed upon enforcement procedures to facilitate, encourage, induce, or support the collection of revenue by said Departments, including suspending or holding in abeyance the issuance or renewal of business and other licenses as may be authorized by law.

Provided, however, that documents and information shared pursuant to this Agreement, including information disclosed pursuant this Section will be used strictly and solely for the purpose of aiding in the administration and enforcement of the City or County ordinances regarding taxes, revenue, licenses, or fees.

2. The Chicago Departments, acting on behalf of the City; and the Cook County Department of Revenue, acting on behalf of the County, shall have administrative responsibility for fulfilling the terms and conditions of this Agreement.
3. The Parties and Departments shall not use, distribute, disseminate, or otherwise share with each other or with any other party any information or records subject to this Agreement except as permitted herein or otherwise required by law.
4. The Parties and Departments shall keep documents and information shared between them under this Agreement in confidence as required by existing or prospective federal law, state law, and municipal ordinance.

5. The Parties and Departments shall take all necessary steps to protect the documents and information obtained pursuant to this Agreement from unauthorized disclosure, and to ensure that said documents and information are properly disposed as permitted under the Local Records Act when said documents and information are no longer required for the purposes of this Agreement, and when permitted by law.
6. The Comptroller of the Chicago Department of Finance ("Comptroller"), the Commissioner of the Chicago Department of Business Affairs and Consumer Protection ("Commissioner"), and the Director of the Cook County Department of Revenue ("Director") shall, in writing, exchange lists of designated personnel or positions that have been duly authorized to request, inspect, and receive documents and information under this Agreement. Any revisions to said list shall be made in writing by the Comptroller, the Commissioner, or Director. Any person authorized to request, inspect, or receive documents or information obtained under this Agreement shall be advised of all applicable law, procedures, restrictions, liabilities, and penalties regarding the confidentiality of said documents and information.
7. For the purposes of this Agreement, the term "documents or information" shall include, but is not limited to tax returns, tax payment histories, lists of registered taxpayers, lists of licensees, registration forms and amendments thereto, license applications and renewal forms and amendments thereto, notices of impending bulk sales, audit work papers, names of persons issued tax assessments, as well as the tax category and amount of tax assessed and collected, and such other documents or information necessary to fulfill the purposes of this Agreement, in whatever form, including speech, paper, electronic media, floppy disks, magnetic tape, DVD-ROM, CD-ROM, flash drives, memory cards, or other solid state electronic data storage devices.
8. Nothing contained in this Agreement or any administrative regulations, policies, or protocols promulgated hereunder shall be construed to require that either Party tender documents or information.
9. Except as expressly agreed by the Parties in collaborating on investigations, enforcement, and other matters, the Parties agree that each shall be responsible for its own costs and expenses incurred in performance of its obligations under this Agreement.

V. COVENANT NOT TO SUE Excluding any action to enforce the terms of this Agreement, each party to this Agreement hereby covenants and agrees that it shall not sue, institute, cause to be instituted or permit to be instituted on its behalf, or by or on behalf of its past, present or future officials, officers, employees, attorneys, agents, or assigns, any proceeding or other action with or before any local, state and/or federal agency, court or other tribunal, against the other party, its officers, alderman, commissioners, employees, attorneys, agents or assigns, arising out of, or from, or otherwise relating, directly or indirectly, to this Agreement.

VI. NOTICE

All notices required to be given pursuant to this Agreement shall be in writing and addressed to the Parties at their respective addresses set forth below. All such notices shall be deemed duly given if personally delivered, or if deposited in the United States mail, registered or certified return receipt requested, or upon receipt of facsimile transmission. Notice given as provided herein does not waive service of summons or process.

If to the County: Cook County Department of Revenue
 c/o Director of Revenue
 118 N. Clark Street, Room 1160
 Chicago, Illinois 60602

With a Copy to: Office of the Cook County State's Attorney
 c/o Chief of the Civil Actions Bureau
 Daley Center
 50 W. Washington, Room 500
 Chicago, Illinois 60602

If to the City: Chicago Department of Finance/Revenue
 33 N. LaSalle Street, 6th Floor
 Chicago, Illinois 60602
 Attn: City Comptroller

Chicago Department of Business Affairs and Consumer Protection
121 N. LaSalle Street, Suite 805
Chicago, Illinois 60602
Attn: Commissioner

With a Copy to: Corporation Counsel
 121 N. LaSalle Street, Suite 600
 Chicago, Illinois 60601
 Attn: Revenue Litigation Division

The Parties, by notice given hereunder, may designate any further or different addressee or addresses to which subsequent notices, certificates or other communications shall be sent.

VII. MISCELLANEOUS TERMS

A. NO JOINT VENTURE. This Agreement shall in no event be construed in such a way that either the County or the City constitutes, or is deemed to be, the representative, agent, employee, partner, or joint venture of the other. The Parties shall not have the authority to enter into any agreement, nor to assume any liability, on behalf of the other party, nor to bind or commit the other party in any manner, except as expressly authorized herein.

B. ENTIRE AGREEMENT; AMENDMENT. Except as otherwise provided herein, this Agreement contains the entire agreement of the Parties with respect to the subject matter herein and shall not be modified or amended except by mutual consent of the Parties as reflected by written instrument executed by the Parties hereto.

C. APPROVAL REQUIRED AND BINDING EFFECT. This Agreement shall not become effective unless authorized by the County Board of Commissioners and executed by the County Board President and an authorized representative of the City. This Agreement constitutes a legal, valid and binding agreement once duly authorized and executed, in accordance with its terms.

D. WAIVER. No term or provision of this Agreement shall be deemed waived, and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any Party to, or waiver of, a breach or default by the other, whether express or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default by or on the part of any party.

E. SEVERABILITY. If any provision of this Agreement, or any paragraph, sentence, clause, phrase, or word, or the appreciation thereof, in any circumstance, is held invalid, the remainder of this Agreement shall be construed as if such invalid part were not included herein and the remainder of the terms of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

F. GOVERNMENTAL IMMUNITY. Notwithstanding anything to the contrary set forth elsewhere in this Agreement, neither the County nor the City has, and in event shall either of them be construed to have, waived any rights or defenses of governmental immunity that it may have with respect to any matters arising out of this Agreement or performance hereunder.

G. GOVERNING LAW. This Agreement shall be interpreted under, and governed by, the laws of the State of Illinois.

IN WITNESS WHEREOF, the Parties hereto have executed or caused this Agreement to be executed, all as of the date first written above.

COUNTY OF COOK

CITY OF CHICAGO

BY: _____
TONI PRECKWINKLE, President
Board of Commissioners

BY: _____
RAHM EMANUEL
Mayor

ATTEST:

DAVID D. ORR
County Clerk

ACKNOWLEDGED:

ZAHRA ALI
Director of Revenue

ACKNOWLEDGED:

AMER AHMAD
City Comptroller

ROSEMARY KRIMBEL
Commissioner
Department of Business Affairs and
Consumer Protection

APPROVED AS TO FORM:

Assistant State's Attorney
Office of the Cook County State's Attorney