



City of Chicago



O2019-1471

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 3/13/2019

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Amendment of Municipal Code Chapter 4-308 by modifying Section 4-308-020 and adding new Section 4-308-025 regarding expenditure of foreign fire insurance tax revenue

Committee(s) Assignment: Committee on Budget and Government Operations

BUDGET



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

March 13, 2019

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

Ladies and Gentlemen:

At the request of the Budget Director, I transmit herewith an ordinance amending the Municipal Code regarding Foreign Fire Insurance.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Chapter 4-308 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through, by inserting the language underscored, and by adding new Section 4-308-025, as follows:

4-308-020 Payment to eCity for benefit of fFire dDepartment.

Any such corporation, company or association not incorporated under the laws of the State of Illinois which is engaged in the city in effecting fire insurance shall annually pay to the eComptroller for the maintenance, use and benefit of the fFire dDepartment of the eCity, as provided in Section 4-308-025, a sum of money equal in amount to two percent per annum of the gross receipts received for premiums by any and all agents of any such corporation, company or association during the year ending on the first day of July, for any insurance effected or agreed to be effected in said city by or with any such corporation, company or association during such year.

4-308-025 Expenditure of foreign fire insurance tax revenue.

- (a) For purposes of this Section, the following definition shall apply:

“Act” means Public Act 100-0656, codified at 65 ILCS 5/11-10-2(b).

“Active member” means a member of the Department who is not receiving a disability pension, retired, or a deferred pensioner, as defined in 40 ILCS 5/4-105a, of the Firemen's Annuity and Benefit Fund of Chicago.

“Board” means the Department's foreign fire insurance board established pursuant to the Act.

“Commissioner” means the Chicago Fire Commissioner.

“Department” means the Chicago Fire Department.

“Ethics Ordinance” means the City of Chicago governmental ethics ordinance, codified as Chapter 2-156 of the Code.

“Fund” means foreign fire insurance tax revenue money deposited in an account determined by the Board as provided in the Act.

- (b) Subject to this section, the Board shall have authority to expend money from the Fund for the maintenance, use, or benefit of the Department in accordance with the Act and the Board's rules. The Board has no authority to expend anticipated foreign fire insurance tax.

- (c) Notwithstanding any other provision of law, the Board shall follow these guidelines when making expenditures from the Fund:

- 1) Pursuant to the Act, 50 percent of the Fund shall be used for the maintenance, use, benefit, or enhancement of fire stations or training facilities, which are: (i) owned, occupied or leased by the City of Chicago; and (ii) used by the active members of the Department.
- 2) Pursuant to the Act, 25 percent of the Fund shall be used for the maintenance, use, benefit, or enhancement of emergency response vehicles, tools, and equipment, which are: (i) owned, occupied or leased by the City of Chicago; and (ii) used by the active members of the Department.
- 3) Pursuant to the Act, the remaining 25 percent of the Fund shall be used for the maintenance and enhancement of the Department and for the use and benefit of the active members of the Department in a manner consistent with all applicable law.
- 4) The Board shall not: (i) maintain or enhance or undertake any work on any building, ground, fleet or equipment that is owned, occupied or leased by the City; or (ii) purchase or lease any vehicle, unless such maintenance, enhancement, work, purchase or lease is undertaken or approved in writing by the Commissioner of Fleet and Facility Management, under his authority in Section 2-51-050.
- 5) Board members shall not be entitled to any compensation or salary from the Fund for the work they perform for the Board.
- 6) All Board purchases shall comply with Sections 8-10-3 and 8-10-4 of the Municipal Purchasing Act for Cities of 500,000 or More Population, codified at 65 ILCS 5/8-10-3 and 65 ILCS 5/8-10-4. In addition, all Board purchases shall be conducted in coordination with the City's Department of Procurement Services and in compliance with procurement laws and procedures applicable to such purchases, including Chapter 2-92 of this Code.
- 7) The Fund is a public fund, and, consistent with Article VIII, Section (1)(a) of the Illinois Constitution, shall be used only for public purposes. The Board shall not use the Fund for the maintenance, use, benefit, or enhancement of any organization or group other than the Department. Any property purchased with expenditures from the Fund shall be the property of the City.
- 8) As required by the Act, all funds provided to and expended by the Board shall be subject to the annual municipal audit to verify that all Board expenditures have been made only for the maintenance, use, or benefit of the Department, in accordance with all applicable law. The Board shall fully and timely comply with the annual municipal audit.

(d) All Board members shall abide by all applicable laws, including the Ethics Ordinance, in the execution of their roles, responsibilities, and duties within the Board.

(e) The Board's treasurer shall execute a bond payable to the City in the sum of \$50,000.00, with good and sufficient sureties to be approved by the City Comptroller conditioned for the faithful performance by the treasurer of his or her duties under the Act in accordance with all applicable law.

(f) The Board is created within the Department and shall be considered part of the City's government, and Board members shall be considered to be City officers for purposes of all applicable provisions of the Code, including Chapter 2-56.

(g) All Board officials shall annually appear before the City Council Committee on the Budget and Government Operations, at a date, place and time determined by the Committee, for a hearing regarding the Board's expenditure of monies from the Fund. Each year, prior to such hearing, the Commissioner of Fleet and Facility Management shall provide the Board and the Committee on Budget and Government Operations with a list of prioritized maintenance, enhancement, work or equipment needs on which the Board may consider to make expenditures from the Fund.

SECTION 2. Severability.

In the event that any subsection, paragraph, clause, provision or application of this ordinance shall be held invalid by any court, the invalidity of such subsection, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

SECTION 3. This ordinance shall take effect upon its passage and approval.