

HB3846



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3846

by Rep. Kathleen Willis

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1030

from Ch. 34, par. 5-1030

Amends the Counties Code. Provides that a county with at least 800,000 residents and less than 3,000,000 residents may also impose a hotel tax within a municipality that imposes a municipal hotel operators' occupation tax if the proceeds from the tax within such a municipality are expended to promote tourism and economic development in the county. Effective immediately.

LRB101 12649 AWJ 61174 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by changing Section
5 5-1030 as follows:

6 (55 ILCS 5/5-1030) (from Ch. 34, par. 5-1030)

7 Sec. 5-1030. Hotel rooms, tax on gross rental receipts.

8 (a) The corporate authorities of any county may by
9 ordinance impose a tax upon all persons engaged in such county
10 in the business of renting, leasing or letting rooms in a hotel
11 which, except as provided in subsection (a-5), is not located
12 within a city, village, or incorporated town that imposes a tax
13 under Section 8-3-14 of the Illinois Municipal Code, as defined
14 in "The Hotel Operators' Occupation Tax Act", at a rate not to
15 exceed 5% of the gross rental receipts from such renting,
16 leasing or letting, excluding, however, from gross rental
17 receipts, the proceeds of such renting, leasing or letting to
18 permanent residents of that hotel, and may provide for the
19 administration and enforcement of the tax, and for the
20 collection thereof from the persons subject to the tax, as the
21 corporate authorities determine to be necessary or practicable
22 for the effective administration of the tax.

23 (a-5) A county with at least 800,000 residents and fewer

1 than 3,000,000 residents may also impose the tax provided for
2 in subsection (a) on persons engaged in the county in the
3 business of renting, leasing, or letting rooms in a hotel
4 within a municipality that imposes a tax under Section 8-3-14
5 of the Illinois Municipal Code if the proceeds from the tax
6 imposed under this subsection (a-5) within such a municipality
7 are expended to promote tourism and economic development in the
8 county.

9 (b) With the consent of municipalities representing at
10 least 67% of the population of Winnebago County, as determined
11 by the 2010 federal decennial census and as expressed by
12 resolution of the corporate authorities of those
13 municipalities, the county board of Winnebago County may, by
14 ordinance, impose a tax upon all persons engaged in the county
15 in the business of renting, leasing, or letting rooms in a
16 hotel that imposes a tax under Section 8-3-14 of the Illinois
17 Municipal Code, as defined in "The Hotel Operators' Occupation
18 Tax Act", at a rate not to exceed 2% of the gross rental
19 receipts from renting, leasing, or letting, excluding,
20 however, from gross rental receipts, the proceeds of the
21 renting, leasing, or letting to permanent residents of that
22 hotel, and may provide for the administration and enforcement
23 of the tax, and for the collection thereof from the persons
24 subject to the tax, as the county board determines to be
25 necessary or practicable for the effective administration of
26 the tax. The tax shall be instituted on a county-wide basis and

1 shall be in addition to any tax imposed by this or any other
2 provision of law. The revenue generated under this subsection
3 shall be accounted for and segregated from all other funds of
4 the county and shall be utilized solely for either: (1)
5 encouraging, supporting, marketing, constructing, or
6 operating, either directly by the county or through other
7 taxing bodies within the county, sports, arts, or other
8 entertainment or tourism facilities or programs for the purpose
9 of promoting tourism, competitiveness, job growth, and for the
10 general health and well-being of the citizens of the county; or
11 (2) payment towards debt services on bonds issued for the
12 purposes set forth in this subsection.

13 (c) A Tourism Facility Board shall be established,
14 comprised of a representative from the county and from each
15 municipality that has approved the imposition of the tax under
16 subsection (b) of this Section.

17 (1) A Board member's vote is weighted based on the
18 municipality's population relative to the population of
19 the county, with the county representing the population
20 within unincorporated areas of the county. Representatives
21 from the Rockford Park District and Rockford Area
22 Convention and Visitors Bureau shall serve as ex-officio
23 members with no voting rights.

24 (2) The Board must meet not less frequently than once
25 per year to direct the use of revenues collected from the
26 tax imposed under subsection (b) of this Section that are

1 not already directed for use pursuant to an
2 intergovernmental agreement between the county and another
3 entity represented on the Board, including the ex-officio
4 members, and for any other reason the Board deems
5 necessary. Affirmative actions of the Board shall require a
6 weighted vote of Board members representing not less than
7 67% of the population of the county.

8 (3) The Board shall not be a separate unit of local
9 government, shall have no paid staff, and members of the
10 Board shall receive no compensation or reimbursement of
11 expenses from proceeds of the tax imposed under subsection
12 (b) of this Section.

13 (d) Persons subject to any tax imposed pursuant to
14 authority granted by this Section may reimburse themselves for
15 their tax liability for such tax by separately stating such tax
16 as an additional charge, which charge may be stated in
17 combination, in a single amount, with State tax imposed under
18 "The Hotel Operators' Occupation Tax Act".

19 Nothing in this Section shall be construed to authorize a
20 county to impose a tax upon the privilege of engaging in any
21 business which under the Constitution of the United States may
22 not be made the subject of taxation by this State.

23 An ordinance or resolution imposing a tax hereunder or
24 effecting a change in the rate thereof shall be effective on
25 the first day of the calendar month next following its passage
26 and required publication.

1 The amounts collected by any county pursuant to this
2 Section shall be expended to promote tourism; conventions;
3 expositions; theatrical, sports and cultural activities within
4 that county or otherwise to attract nonresident overnight
5 visitors to the county.

6 Any county may agree with any unit of local government,
7 including any authority defined as a metropolitan exposition,
8 auditorium and office building authority, fair and exposition
9 authority, exposition and auditorium authority, or civic
10 center authority created pursuant to provisions of Illinois law
11 and the territory of which unit of local government or
12 authority is co-extensive with or wholly within such county, to
13 impose and collect for a period not to exceed 40 years, any
14 portion or all of the tax authorized pursuant to this Section
15 and to transmit such tax so collected to such unit of local
16 government or authority. The amount so paid shall be expended
17 by any such unit of local government or authority for the
18 purposes for which such tax is authorized. Any such agreement
19 must be authorized by resolution or ordinance, as the case may
20 be, of such county and unit of local government or authority,
21 and such agreement may provide for the irrevocable imposition
22 and collection of said tax at such rate, or amount as limited
23 by a given rate, as may be agreed upon for the full period of
24 time set forth in such agreement; and such agreement may
25 further provide for any other terms as deemed necessary or
26 advisable by such county and such unit of local government or

1 authority. Any such agreement shall be binding and enforceable
2 by either party to such agreement. Such agreement entered into
3 pursuant to this Section shall not in any event constitute an
4 indebtedness of such county subject to any limitation imposed
5 by statute or otherwise.

6 (Source: P.A. 98-313, eff. 8-12-13.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.