

SB3858



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3858

Introduced 2/14/2020, by Sen. John F. Curran

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-3-14
65 ILCS 5/8-3-14a

from Ch. 24, par. 8-3-14

Amends the Illinois Municipal Code. Provides that a municipality may expend no more than 75% of the amounts collected from the municipal hotel operators' occupation tax and municipal hotel use tax for the municipality's pension and infrastructure costs.

LRB101 20730 AWJ 70407 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 Illinois Municipal Code is amended by
5 changing Sections 8-3-14 and 8-3-14a as follows:

6 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

7 Sec. 8-3-14. Municipal hotel operators' occupation tax.
8 The corporate authorities of any municipality may impose a tax
9 upon all persons engaged in such municipality in the business
10 of renting, leasing or letting rooms in a hotel, as defined in
11 "The Hotel Operators' Occupation Tax Act," at a rate not to
12 exceed 6% in the City of East Peoria and in the Village of
13 Morton and 5% in all other municipalities of the gross rental
14 receipts from such renting, leasing or letting, excluding,
15 however, from gross rental receipts, the proceeds of such
16 renting, leasing or letting to permanent residents of that
17 hotel and proceeds from the tax imposed under subsection (c) of
18 Section 13 of the Metropolitan Pier and Exposition Authority
19 Act, and may provide for the administration and enforcement of
20 the tax, and for the collection thereof from the persons
21 subject to the tax, as the corporate authorities determine to
22 be necessary or practicable for the effective administration of
23 the tax. The municipality may not impose a tax under this

1 Section if it imposes a tax under Section 8-3-14a.

2 Persons subject to any tax imposed pursuant to authority
3 granted by this Section may reimburse themselves for their tax
4 liability for such tax by separately stating such tax as an
5 additional charge, which charge may be stated in combination,
6 in a single amount, with State tax imposed under "The Hotel
7 Operators' Occupation Tax Act".

8 Nothing in this Section shall be construed to authorize a
9 municipality to impose a tax upon the privilege of engaging in
10 any business which under the constitution of the United States
11 may not be made the subject of taxation by this State.

12 Except as otherwise provided in this Division, the amounts
13 collected by any municipality pursuant to this Section shall be
14 expended by the municipality solely to promote tourism and
15 conventions within that municipality or otherwise to attract
16 nonresident overnight visitors to the municipality, except
17 that no more than 75% of the amounts collected may be expended
18 for the municipality's pension and infrastructure costs.

19 No funds received pursuant to this Section shall be used to
20 advertise for or otherwise promote new competition in the hotel
21 business.

22 (Source: P.A. 101-204, eff. 8-2-19.)

23 (65 ILCS 5/8-3-14a)

24 Sec. 8-3-14a. Municipal hotel use tax.

25 (a) The corporate authorities of any municipality may

1 impose a tax upon the privilege of renting or leasing rooms in
2 a hotel within the municipality at a rate not to exceed 5% of
3 the rental or lease payment. The corporate authorities may
4 provide for the administration and enforcement of the tax and
5 for the collection thereof from the persons subject to the tax,
6 as the corporate authorities determine to be necessary or
7 practical for the effective administration of the tax.

8 (b) Each hotel in the municipality shall collect the tax
9 from the person making the rental or lease payment at the time
10 that the payment is tendered to the hotel. The hotel shall, as
11 trustee, remit the tax to the municipality.

12 (c) The tax authorized under this Section does not apply to
13 any rental or lease payment by a permanent resident of that
14 hotel or to any payment made to any hotel that is subject to
15 the tax imposed under subsection (c) of Section 13 of the
16 Metropolitan Pier and Exposition Authority Act. A municipality
17 may not impose a tax under this Section if it imposes a tax
18 under Section 8-3-14. Nothing in this Section may be construed
19 to authorize a municipality to impose a tax upon the privilege
20 of engaging in any business that under the Constitution of the
21 United States may not be made the subject of taxation by this
22 State.

23 (d) Except as otherwise provided in this Division, the
24 moneys collected by a municipality under this Section may be
25 expended solely to promote tourism and conventions within that
26 municipality or otherwise to attract nonresident overnight

1 visitors to the municipality, except that no more than 75% of
2 the amounts collected may be expended for the municipality's
3 pension and infrastructure costs. No moneys received under this
4 Section may be used to advertise for or otherwise promote new
5 competition in the hotel business.

6 (e) As used in this Section, "hotel" has the meaning set
7 forth in Section 2 of the Hotel Operators' Occupation Tax Act.

8 (Source: P.A. 101-204, eff. 8-2-19.)