



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### HB4192

Introduced 10/25/2023, by Rep. Mary Beth Canty

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-3-13	from Ch. 24, par. 8-3-13
65 ILCS 5/8-3-14	from Ch. 24, par. 8-3-14
65 ILCS 5/8-3-14a	
65 ILCS 5/8-3-14b	
65 ILCS 5/8-3-14c	

Amends the Illinois Municipal Code. Provides that amounts disbursed to a municipality from its municipal hotel operators' occupation or use tax may also be used by the municipality to fund pensions for police officers and firefighters.

LRB103 34570 HLH 64407 b

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 8-3-13, 8-3-14, 8-3-14a, 8-3-14b, and  
6 8-3-14c as follows:

7 (65 ILCS 5/8-3-13) (from Ch. 24, par. 8-3-13)

8 Sec. 8-3-13. The corporate authorities of any municipality  
9 containing 500,000 or more inhabitants may impose a tax prior  
10 to July 1, 1969, upon all persons engaged in the municipality  
11 in the business of renting, leasing or letting rooms in a  
12 hotel, as defined in the Hotel Operators' Occupation Tax Act,  
13 at a rate not to exceed 1% of the gross rental receipts from  
14 the renting, leasing or letting, excluding, however, from  
15 gross rental receipts, the proceeds of the renting, leasing or  
16 letting to permanent residents of that hotel and proceeds from  
17 the tax imposed under subsection (c) of Section 13 of the  
18 Metropolitan Pier and Exposition Authority Act.

19 The tax imposed by a municipality under this Section and  
20 all civil penalties that may be assessed as an incident  
21 thereof shall be collected and enforced by the State  
22 Department of Revenue. The certificate of registration that is  
23 issued by the Department to a lessor under the Hotel

1 Operators' Occupation Tax Act shall permit the registrant to  
2 engage in a business that is taxable under any ordinance or  
3 resolution enacted under this Section without registering  
4 separately with the Department under the ordinance or  
5 resolution or under this Section. The Department shall have  
6 full power to administer and enforce this Section; to collect  
7 all taxes and penalties due hereunder; to dispose of taxes and  
8 penalties so collected in the manner provided in this Section;  
9 and to determine all rights to credit memoranda arising on  
10 account of the erroneous payment of tax or penalty hereunder.  
11 In the administration of and compliance with this Section, the  
12 Department and persons who are subject to this Section shall  
13 have the same rights, remedies, privileges, immunities, powers  
14 and duties, and be subject to the same conditions,  
15 restrictions, limitations, penalties and definitions of terms,  
16 and employ the same modes of procedure, as are prescribed in  
17 the Hotel Operators' Occupation Tax Act and the Uniform  
18 Penalty and Interest Act, as fully as if the provisions  
19 contained in those Acts were set forth herein.

20 Whenever the Department determines that a refund should be  
21 made under this Section to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the warrant to be drawn for the  
24 amount specified, and to the person named, in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the Illinois tourism tax fund.

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

7           The Department shall forthwith pay over to the State  
8 Treasurer, ex-officio, as trustee, all taxes and penalties  
9 collected hereunder. On or before the 25th day of each  
10 calendar month, the Department shall prepare and certify to  
11 the Comptroller the disbursement of stated sums of money to  
12 named municipalities from which lessors have paid taxes or  
13 penalties hereunder to the Department during the second  
14 preceding calendar month. The amount to be paid to each  
15 municipality shall be the amount (not including credit  
16 memoranda) collected hereunder during the second preceding  
17 calendar month by the Department, and not including an amount  
18 equal to the amount of refunds made during the second  
19 preceding calendar month by the Department on behalf of the  
20 municipality, less 4% of the balance, which sum shall be  
21 retained by the State Treasurer to cover the costs incurred by  
22 the Department in administering and enforcing the provisions  
23 of this Section, as provided herein. The Department, at the  
24 time of each monthly disbursement to the municipalities, shall  
25 prepare and certify to the Comptroller the amount so retained  
26 by the State Treasurer, which shall be paid into the General

1 Revenue Fund of the State Treasury.

2 Within 10 days after receipt by the Comptroller of the  
3 disbursement certification to the municipalities and the  
4 General Revenue Fund provided for in this Section to be given  
5 to the Comptroller by the Department, the Comptroller shall  
6 cause the warrants to be drawn for the respective amounts in  
7 accordance with the directions contained in the certification.

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 that, under the Constitution of the United  
11 States, may not be made the subject of taxation by this State.

12 An ordinance or resolution imposing a tax hereunder or  
13 effecting a change in the rate thereof shall be effective on  
14 the first day of the calendar month next following the  
15 expiration of the publication period provided in Section 1-2-4  
16 in respect to municipalities governed by that Section.

17 The corporate authorities of any municipality that levies  
18 a tax authorized by this Section shall transmit to the  
19 Department of Revenue on or not later than 5 days after the  
20 effective date of the ordinance or resolution a certified copy  
21 of the ordinance or resolution imposing the tax; whereupon,  
22 the Department of Revenue shall proceed to administer and  
23 enforce this Section on behalf of the municipality as of the  
24 effective date of the ordinance or resolution. Upon a change  
25 in rate of a tax levied hereunder, or upon the discontinuance  
26 of the tax, the corporate authorities of the municipality

1 shall, on or not later than 5 days after the effective date of  
2 the ordinance or resolution discontinuing the tax or effecting  
3 a change in rate, transmit to the Department of Revenue a  
4 certified copy of the ordinance or resolution effecting the  
5 change or discontinuance. The amounts disbursed to any  
6 municipality under this Section shall be expended by the  
7 municipality only for one or more of the following purposes:  
8 (1) ~~solely~~ to promote tourism, conventions and other special  
9 events within that municipality or otherwise to attract  
10 nonresidents to visit the municipality; or (2) to fund  
11 obligations of the municipality under Article 3, 4, 5, or 6 of  
12 the Illinois Pension Code.

13 Any municipality receiving and disbursing money under this  
14 Section shall report on or before the first Monday in January  
15 of each year to the Advisory Committee of the Illinois Tourism  
16 Promotion Fund, created by Section 12 of the Illinois  
17 Promotion Act. The reports shall specify the purposes for  
18 which the disbursements were made and shall contain detailed  
19 amounts of all receipts and disbursements under this Section.

20 This Section may be cited as the Tourism, Conventions and  
21 Other Special Events Promotion Act of 1967.

22 (Source: P.A. 87-205; 87-733; 87-895.)

23 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

24 Sec. 8-3-14. Municipal hotel operators' occupation tax.  
25 The corporate authorities of any municipality may impose a tax

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

18 Persons subject to any tax imposed pursuant to authority  
19 granted by this Section may reimburse themselves for their tax  
20 liability for such tax by separately stating such tax as an  
21 additional charge, which charge may be stated in combination,  
22 in a single amount, with State tax imposed under "The Hotel  
23 Operators' Occupation Tax Act".

24 Nothing in this Section shall be construed to authorize a  
25 municipality to impose a tax upon the privilege of engaging in  
26 any business which under the constitution of the United States

1 may not be made the subject of taxation by this State.

2 Except as otherwise provided in this Division, the amounts  
3 collected by any municipality pursuant to this Section shall  
4 be expended by the municipality only for one or more of the  
5 following purposes: (1) ~~solely~~ to promote tourism and  
6 conventions within that municipality or otherwise to attract  
7 nonresident overnight visitors to the municipality; or (2) to  
8 fund obligations of the municipality under Article 3, 4, 5, or  
9 6 of the Illinois Pension Code.

10 No funds received pursuant to this Section shall be used  
11 to advertise for or otherwise promote new competition in the  
12 hotel business.

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

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

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

16 (a) The corporate authorities of any municipality may  
17 impose a tax upon the privilege of renting or leasing rooms in  
18 a hotel within the municipality at a rate not to exceed 5% of  
19 the rental or lease payment. The corporate authorities may  
20 provide for the administration and enforcement of the tax and  
21 for the collection thereof from the persons subject to the  
22 tax, as the corporate authorities determine to be necessary or  
23 practical for the effective administration of the tax.

24 (b) Each hotel in the municipality shall collect the tax  
25 from the person making the rental or lease payment at the time



1 that the payment is tendered to the hotel. The hotel shall, as  
2 trustee, remit the tax to the municipality.

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

14 (d) Except as otherwise provided in this Division, the  
15 moneys collected by a municipality under this Section may be  
16 expended only for one or more of the following purposes: (1)  
17 ~~solely~~ to promote tourism and conventions within that  
18 municipality or otherwise to attract nonresident overnight  
19 visitors to the municipality; or (2) to fund obligations of  
20 the municipality under Article 3, 4, 5, or 6 of the Illinois  
21 Pension Code. No moneys received under this Section may be  
22 used to advertise for or otherwise promote new competition in  
23 the hotel business.

24 (e) As used in this Section, "hotel" has the meaning set  
25 forth in Section 2 of the Hotel Operators' Occupation Tax Act.  
26 (Source: P.A. 101-204, eff. 8-2-19.)

1 (65 ILCS 5/8-3-14b)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 8-3-14b. Municipal hotel operators' tax in DuPage  
4 County. For any municipality located within DuPage County that  
5 belongs to a not-for-profit organization headquartered in  
6 DuPage County that is recognized by the Department of Commerce  
7 and Economic Opportunity as a certified local tourism and  
8 convention bureau entitled to receive State tourism grant  
9 funds, not less than 75% of the amounts collected pursuant to  
10 Section 8-3-14 shall be expended by the municipality for the  
11 purposes authorized under Section 8-3-14 ~~to promote tourism~~  
12 ~~and conventions within that municipality or otherwise to~~  
13 ~~attract nonresident overnight visitors to the municipality,~~  
14 and the remainder of the amounts collected by a municipality  
15 within DuPage County pursuant to Section 8-3-14 may be  
16 expended by the municipality for economic development or  
17 capital infrastructure.

18 This Section is repealed on January 1, 2025.

19 (Source: P.A. 101-204, eff. 8-2-19; 102-699, eff. 4-19-22.)

20 (65 ILCS 5/8-3-14c)

21 (Section scheduled to be repealed on January 1, 2025)

22 Sec. 8-3-14c. Municipal hotel use tax in DuPage County.  
23 For any municipality located within DuPage County that belongs  
24 to a not-for-profit organization headquartered in DuPage

1 County that is recognized by the Department of Commerce and  
2 Economic Opportunity as a certified local tourism and  
3 convention bureau entitled to receive State tourism grant  
4 funds, not less than 75% of the amounts collected pursuant to  
5 Section 8-3-14a shall be expended by the municipality for the  
6 purposes authorized under Section 8-3-14 ~~to promote tourism~~  
7 ~~and conventions within that municipality or otherwise to~~  
8 ~~attract nonresident overnight visitors to the municipality,~~  
9 and the remainder of the amounts collected by a municipality  
10 within DuPage County pursuant to Section 8-3-14a may be  
11 expended by the municipality for economic development or  
12 capital infrastructure.

13 This Section is repealed on January 1, 2025.

14 (Source: P.A. 101-204, eff. 8-2-19; 102-699, eff. 4-19-22.)