

# SB1746



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1746

Introduced 2/9/2023, by Sen. Andrew S. Chesney

### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1030

from Ch. 34, par. 5-1030

Amends the Counties Code. Provides that the corporate authorities of Jo Daviess County may impose up to a 1% additional hotel tax in the county if the tax is approved by referendum initiated by a petition or by ordinance of the corporate authorities of the county. Prohibits taxes from being imposed on gross rental receipts of permanent residents of a hotel, motel, or resort. Provides that the additional hotel tax shall be used by the county for the costs associated with providing infrastructure in support of tourism and conventions within the county and emergency services in support of tourism and conventions within the county. Effective immediately.

LRB103 30660 HLH 57118 b

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

23 (a-5) The corporate authorities of Jo Daviess County may,

1 upon referendum approval as provided in this subsection,  
2 impose an additional tax of up to 1% upon the gross rental  
3 receipts of all persons engaged in the county in the business  
4 of renting, leasing, or letting rooms in a hotel, motel, or  
5 resort located in the county. The tax may not be imposed on (i)  
6 receipts attributable to a hotel, motel, or resort located  
7 within a municipality that imposes a tax under 8-3-14 of the  
8 Illinois Municipal Code or (ii) receipts attributable to  
9 permanent residents of a hotel, motel, or resort. The tax  
10 under this subsection may not be imposed until the question of  
11 imposing the tax has been submitted to the electors of the  
12 county at a general election and approved by a majority of the  
13 electors voting on the question. Such a referendum shall be  
14 initiated by: (1) a written petition submitted to the county  
15 board specifying the desired tax rate of up to 1% and signed by  
16 a number of electors of the county equal to at least 10% of the  
17 votes cast for candidates for Governor in the county in the  
18 preceding gubernatorial election; or (2) an ordinance adopted  
19 by the county board specifying the desired tax rate of up to  
20 1%. The county board shall file the petition or ordinance with  
21 the appropriate election authority. The referendum shall be  
22 substantially in the following form:

23 Shall Jo Daviess County impose an additional tax of  
24 (the specified percentage in the petition or ordinance)%  
25 on all persons engaged in the county in the business of  
26 renting, leasing, or letting rooms in a hotel, motel or

1       resort, which is not located within a municipality that  
2       imposes a hotel tax?

3       The votes shall be recorded as "Yes" or "No". The  
4       referendum is approved when a majority of the voters approve  
5       the referendum.

6       The proceeds of the additional tax shall be used by the  
7       county for the costs associated with providing infrastructure  
8       in support of tourism and conventions within the county and  
9       emergency services in support of tourism and conventions  
10      within the county.

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

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

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

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

26 (2) The Board must meet not less frequently than once

1 per year to direct the use of revenues collected from the  
2 tax imposed under subsection (b) of this Section that are  
3 not already directed for use pursuant to an  
4 intergovernmental agreement between the county and another  
5 entity represented on the Board, including the ex-officio  
6 members, and for any other reason the Board deems  
7 necessary. Affirmative actions of the Board shall require  
8 a weighted vote of Board members representing not less  
9 than 67% of the population of the county.

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

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

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

25 An ordinance or resolution imposing a tax hereunder or  
26 effecting a change in the rate thereof shall be effective on

1 the first day of the calendar month next following its passage  
2 and required publication.

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

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

1 further provide for any other terms as deemed necessary or  
2 advisable by such county and such unit of local government or  
3 authority. Any such agreement shall be binding and enforceable  
4 by either party to such agreement. Such agreement entered into  
5 pursuant to this Section shall not in any event constitute an  
6 indebtedness of such county subject to any limitation imposed  
7 by statute or otherwise.

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

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.