

SB2638



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2638

Introduced 11/7/2023, by Sen. Julie A. Morrison

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-3-14a

Amends the Illinois Municipal Code. Provides that moneys collected by a municipality from hotel use taxes may be expended to contribute to fund actuarial liabilities of the municipality's pension fund established under Article 3, 4, 5, or 6 of the Illinois Pension Code or Article 7 of the Illinois Pension Code with regard to sheriff's law enforcement employees if the municipality has not established a pension fund under Article 3, 4, 5, or 6 of the Illinois Pension Code.

LRB103 34585 AWJ 64423 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 Illinois Municipal Code is amended by
5 changing Section 8-3-14a as follows:

6 (65 ILCS 5/8-3-14a)

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

8 (a) The corporate authorities of any municipality may
9 impose a tax upon the privilege of renting or leasing rooms in
10 a hotel within the municipality at a rate not to exceed 5% of
11 the rental or lease payment. The corporate authorities may
12 provide for the administration and enforcement of the tax and
13 for the collection thereof from the persons subject to the
14 tax, as the corporate authorities determine to be necessary or
15 practical for the effective administration of the tax.

16 (b) Each hotel in the municipality shall collect the tax
17 from the person making the rental or lease payment at the time
18 that the payment is tendered to the hotel. The hotel shall, as
19 trustee, remit the tax to the municipality.

20 (c) The tax authorized under this Section does not apply
21 to any rental or lease payment by a permanent resident of that
22 hotel or to any payment made to any hotel that is subject to
23 the tax imposed under subsection (c) of Section 13 of the

1 Metropolitan Pier and Exposition Authority Act. A municipality
2 may not impose a tax under this Section if it imposes a tax
3 under Section 8-3-14. Nothing in this Section may be construed
4 to authorize a municipality to impose a tax upon the privilege
5 of engaging in any business that under the Constitution of the
6 United States may not be made the subject of taxation by this
7 State.

8 (d) Except as otherwise provided in this Division, the
9 moneys collected by a municipality under this Section may be
10 expended solely to promote tourism and conventions within that
11 municipality, ~~or otherwise~~ to attract nonresident overnight
12 visitors to the municipality, or to contribute to fund
13 actuarial liabilities of the municipality's pension fund
14 established under Article 3, 4, 5, or 6 of the Illinois Pension
15 Code or Article 7 of the Illinois Pension Code with regard to
16 sheriff's law enforcement employees if the municipality has
17 not established a pension fund under Article 3, 4, 5, or 6 of
18 the Illinois Pension Code. No moneys received under this
19 Section may be used to advertise for or otherwise promote new
20 competition in the hotel business.

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