



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**SB2419**

Introduced 2/3/2004, by Christine Radogno

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/8-3-14

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

Amends the Illinois Municipal Code. Provides that the amounts collected by any municipality from the tax on hotel rooms authorized to be imposed in a municipality under the Code shall be expended by the municipality as follows: (1) 20% shall be allocated to the local convention and tourism bureau; (2) 40% shall be allocated to the municipality for unrestricted use; (3) 10% shall be allocated to hotels in the municipality to be used for marketing purposes, but that, if the convention and visitors bureau of a municipality undertakes the marketing for hotels in that municipality, then this 10% shall instead be allocated to the convention and visitors bureau for marketing purposes; and (4) 30% shall be allocated to the municipality, but its use shall be restricted solely to promote tourism and conventions within that municipality or otherwise to attract nonresident overnight visitors to the municipality (now the amounts collected may be used solely to promote tourism and conventions within that municipality or otherwise to attract nonresident overnight visitors to the municipality). Effective immediately.

LRB093 15907 SJM 41525 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning taxes.

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 8-3-14 as follows:

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

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

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

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

31 The amounts collected by any municipality pursuant to this  
32 Section shall be expended by the municipality as follows:

1           (1) Twenty percent shall be allocated to the local  
2           convention and tourism bureau.

3           (2) Forty percent shall be allocated to the  
4           municipality for unrestricted use.

5           (3) Ten percent shall be allocated to hotels in the  
6           municipality, based on the percentage of revenue generated  
7           by each hotel in relation to revenue generated by the other  
8           hotels in the municipality, to be used for marketing  
9           purposes. If the convention and visitors bureau of a  
10           municipality undertakes the marketing for hotels in that  
11           municipality, then this 10% shall instead be allocated to  
12           the convention and visitors bureau for marketing purposes.

13           (4) Thirty percent shall be allocated to the  
14           municipality, but its use shall be restricted solely to  
15           promote tourism and conventions within that municipality  
16           or otherwise to attract nonresident overnight visitors to  
17           the municipality, which may include offering rebates to  
18           hotels.

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. 87-733.)

23           Section 99. Effective date. This Act takes effect upon  
24           becoming law.