

# HB2780



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB2780

by Rep. Andrew S. Chesney

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1030

from Ch. 34, par. 5-1030

Amends the Counties Code. Provides that a county board that imposes a non-home rule hotel tax may, by ordinance, impose up to a 1% additional hotel tax in the county, except not in municipalities that already impose a hotel tax. 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, police protection, and emergency services in support of tourism and conventions within the county. Effective immediately.

LRB101 08332 AWJ 53594 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 Counties Code is amended by changing Section  
5 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 of  
22 the tax.

23 (a-5) The corporate authorities of a non-home rule county

1 imposing a tax under subsection (a) may, by ordinance, impose  
2 up to a 1% additional tax upon the gross rental receipts of all  
3 persons engaged in the county in the business of renting,  
4 leasing, or letting rooms in a hotel, motel, or resort, which  
5 is not located within a municipality that imposes a tax under  
6 Section 8-3-14 of the Illinois Municipal Code, except that a  
7 tax under this subsection shall not be imposed on gross rental  
8 receipts of permanent residents of a hotel, motel, or resort.  
9 The proceeds of the additional tax shall be used by the county  
10 for the costs associated with providing infrastructure, police  
11 protection, and emergency services in support of tourism and  
12 conventions within the county.

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

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

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

21 (1) A Board member's vote is weighted based on the  
22 municipality's population relative to the population of  
23 the county, with the county representing the population  
24 within unincorporated areas of the county. Representatives  
25 from the Rockford Park District and Rockford Area  
26 Convention and Visitors Bureau shall serve as ex-officio

1 members with no voting rights.

2 (2) The Board must meet not less frequently than once  
3 per year to direct the use of revenues collected from the  
4 tax imposed under subsection (b) of this Section that are  
5 not already directed for use pursuant to an  
6 intergovernmental agreement between the county and another  
7 entity represented on the Board, including the ex-officio  
8 members, and for any other reason the Board deems  
9 necessary. Affirmative actions of the Board shall require a  
10 weighted vote of Board members representing not less than  
11 67% of the population of the county.

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

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

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

1           An ordinance or resolution imposing a tax hereunder or  
2 effecting a change in the rate thereof shall be effective on  
3 the first day of the calendar month next following its passage  
4 and required publication.

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

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

1 by a given rate, as may be agreed upon for the full period of  
2 time set forth in such agreement; and such agreement may  
3 further provide for any other terms as deemed necessary or  
4 advisable by such county and such unit of local government or  
5 authority. Any such agreement shall be binding and enforceable  
6 by either party to such agreement. Such agreement entered into  
7 pursuant to this Section shall not in any event constitute an  
8 indebtedness of such county subject to any limitation imposed  
9 by statute or otherwise.

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

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law.