



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB4086

Introduced 1/16/2020, 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 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, police protection, and emergency services in support of tourism and conventions within the county. Effective immediately.

LRB101 14368 AWJ 63254 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 Jo Daviess County may,

1 upon referendum approval as provided in this subsection, impose  
2 an additional tax of up to 1% upon the gross rental receipts of  
3 all persons engaged in the county in the business of renting,  
4 leasing, or letting rooms in a hotel, motel, or resort located  
5 in the county. The tax may not be imposed on (i) receipts  
6 attributable to a hotel, motel, or resort located within a  
7 municipality that imposes a tax under 8-3-14 of the Illinois  
8 Municipal Code or (ii) receipts attributable to permanent  
9 residents of a hotel, motel, or resort. The tax under this  
10 subsection may not be imposed until the question of imposing  
11 the tax has been submitted to the electors of the county at a  
12 general election and approved by a majority of the electors  
13 voting on the question. Such a referendum shall be initiated  
14 by: (1) a written petition submitted to the county board  
15 specifying the desired tax rate of up to 1% and signed by a  
16 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)% on  
25 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       police protection, and emergency services in support of tourism  
9       and conventions within the county.

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

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

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

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

25 (2) The Board must meet not less frequently than once  
26 per year to direct the use of revenues collected from the

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

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

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

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

24 An ordinance or resolution imposing a tax hereunder or  
25 effecting a change in the rate thereof shall be effective on  
26 the first day of the calendar month next following its passage

1 and required publication.

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

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

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

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

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