

**Lee County Board
Dixon, Illinois**

ORDINANCE No. _____

**LEE COUNTY HOTEL TAX
REVISIONS**

WHEREAS, pursuant to Section 5-1030 of the Illinois Counties Code (55 ILCS 5/5-1030) the corporate authorities of any county may by ordinance impose a tax upon all persons within the County engaged in the business of renting, leasing or letting rooms in a hotel which is not located within a city, village or incorporated town that imposes a tax under section 8-3-14 of the Illinois Municipal Code; and,

WHEREAS, the Lee County Board (BOARD) previously imposed a Hotel Tax at the rate of 5% of the gross rental receipts from the renting, leasing, or letting rooms for all incorporated and unincorporated areas of Lee County in the absence of any Lee County Municipality imposing a Hotel Tax; and

WHEREAS, upon receipt of hotel tax monies, the Lee County Treasurer assesses a fee of one and one-half percent (1 1/2%) for the purpose of administration and transfers fifty percent (50%) of the remaining amount to the Lee County Tourism Council (COUNCIL) for the promotion of tourism; and

WHEREAS, the BOARD previously entered into an intergovernmental agreement with the City of Dixon (CITY) to transfer the remaining 50% of the Hotel Tax collected to the CITY for promotion of tourism; and

WHEREAS, on May 10, 2023, the CITY formally notified Lee County of its intent to withdraw from the intergovernmental agreement effective as of November 30, 2023, and impose a tax upon all hotels located in the City of Dixon under Section 8-3-14 of the Illinois Municipal Code, beginning December 1, 2023; and

WHEREAS, the BOARD having reviewed the financial impact of the CITY'S decision to withdraw from the intergovernmental agreement desires to revise the existing method of promoting tourism in the unincorporated areas of Lee County based on an estimated 73% reduction of available Hotel Tax funds; and

WHEREAS, the revised method of promoting tourism for the unincorporated areas of Lee County will result in the dissolution of the Lee County Tourism Council; and

WHEREAS, the BOARD desires to amend Title 3, Chapter 2 (Hotel Tax) of the Lee County Code to reflect changes resulting from the CITY's withdrawal from the intergovernmental agreement and the dissolution of the Lee County Tourism Council.

NOW, THEREFORE BE IT ORDAINED, by the Lee County Board that Title 3, Chapter 2 (Hotel Tax) of the Lee County Code be amended pursuant to Addendum A attached.

PASSED BY THE LEE COUNTY BOARD
THIS _____ DAY OF _____, 2023

BY: _____
Lee County Board Chairman

ATTEST:

BY: _____
Lee County Clerk

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ADDENDUM A

3-2-1: PURPOSE AND AUTHORITY:

- A. Purpose: The purposes of this Chapter is to generate revenue to be placed in a fund to increase tourism in Lee County through the promotion of lodging, restaurants, attractions, conventions, expositions, and theatrical, sport, cultural, and other similar activities.
- B. Statute Authority: This Chapter is expressly adopted pursuant to 55 Illinois Compiled Statutes 5/5-1030. (Ord., 6-15-1993)

3-2-2: DEFINITIONS:

For the purposes of and as used in this Chapter, unless the context otherwise requires, the following terms shall have the meanings ascribed to them in this Section:

DEPARTMENT: The Illinois Department of Revenue.

DISPLACED PERSONS: Individuals lacking economic self-sufficiency and without a fixed, regular and adequate nighttime residence or whose nighttime residence is a publicly or privately operated temporary shelter.

HOTEL: Any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes inns, motels, tourist homes or courts, lodging houses, rooming houses, apartment houses and bed and breakfast houses.

OCCUPANCY: The use or possession, or the right to the use or possession, of any room or rooms in a hotel for any purpose, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

PERMANENT RESIDENT: Any man or woman who occupies or has the right to occupy any room or rooms in a hotel for at least thirty (30) consecutive days for his or her own personal use unrelated to the conducting of any business or occupation.

PERSON: Any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, or receiver, executor, trustee, conservator or other representative appointed by any court.

RENT OR RENTAL: The consideration received for occupancy, value in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature.

RENTER: Any person who pays for the privilege of using or occupying a hotel room for the period for which payment is made.

ROOM OR ROOMS: Any living quarters, sleeping or housekeeping accommodations.

TREASURER: The Lee County Treasurer. (Ord., 6-15-1993)

3-2-3: TAX IMPOSED; CONDITIONS AND REQUIREMENTS 1:

- A. Tax Imposed; Exceptions: There is hereby levied and imposed upon all persons engaged in the business of renting, leasing or letting rooms in a hotel which is located within the corporate limits of Lee County, excluding all hotels within the corporate limits of the City of Dixon, a tax at a rate of five percent (5%) of the gross rental receipts from such renting, leasing or letting for any purpose of each twenty-four (24) hour period or portion thereof. Excluded from the gross rental receipts will be the proceeds of such rents, leasing or letting to permanent residents or displaced persons. The tax imposed herein shall be in addition to any and all other taxes and charges applicable to such hotels, but such other taxes and charges shall not be construed to be a part of the gross rental receipts upon which this tax is levied.

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- B. **Liability For Payment:** The ultimate incidence of any liability for payment of the tax levied herein is upon the person engaged in the business of leasing, renting or letting said rooms. Such hotel owners and operators may reimburse themselves for their tax liability for this tax by separately stating such tax as an additional charge to the lessee or renter. The charge may be stated in combination as a single amount with the state of Illinois tax imposed under the hotel operator's occupation tax, as provided for in 35 Illinois Compiled Statutes 145/1 et seq., as amended. No tax is imposed based upon receipts from any permanent residents or displaced persons of any hotel.
- C. **Charge For Imposing Tax Restricted:** No person engaged in the business of renting, leasing, or letting rooms in a hotel shall reimburse himself or charge for the imposition of this tax at a rate higher than the tax imposed by this chapter.
- D. **Filing Of Returns:**
 - 1. **Contents Of Return:** Except as otherwise provided in this subsection, on or before the deadline as required by the state of Illinois for the filing of hotel operator's occupation tax returns, every person engaged in the business of renting, leasing, or letting rooms in a hotel within Lee County, except those hotels within the corporate limits of the City of Dixon, during the preceding calendar month shall file a return with the treasurer, on forms to be supplied by the treasurer, stating:
 - a. The name of the operator.
 - b. His residence address and the address of the principal place of business from which he engages in the business of renting, leasing or letting rooms in a hotel in the county.
 - c. Total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms during such preceding calendar month.
 - d. Total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms to permanent residents and displaced persons during such preceding calendar month.
 - e. Total amount of other exclusions from gross rental receipts as allowed by this chapter.
 - f. Gross rental receipts which were received by him during the preceding calendar month.
 - g. The amount of the tax due.
 - h. The amount of penalty for late payment due, calculated at the rate of one and one-half percent (1.5%) per month with a twenty dollar (\$20.00) minimum penalty.
 - i. Such other reasonable information as may from time to time be required by the treasurer.
 - 2. **Remit Tax and Penalties with Return:** The persons subject to tax shall also transmit to the treasurer with the return required by this subsection the amount of the tax and penalties, if any, due as shown by said return. Such person shall also file with the treasurer copies of all hotel operator's occupation tax returns as are required by the provisions of 35 Illinois Compiled Statutes 145/1 et seq.
- E. **Books And Records:**
 - 1. **Maintenance:** Any person engaged in the business of renting, leasing or letting of hotel rooms shall maintain complete and accurate books and records, including a daily sheet showing the gross rental receipts for the hotel rentals for the day reported.
 - 2. **Access By Officials:** For the purposes of enforcing and administering this chapter, the treasurer or such agents designated by the treasurer shall, after providing reasonable notice, have access during normal business hours to the books and records of persons subject to this chapter.
 - 3. **Inspection:** The treasurer, or such agents as are designated by the treasurer, shall at least annually inspect said books and records and shall file a written report of his or her findings with the county board no later than April 1 of each year.
- F. **Proceeds To Tourism Promotion Fund:** There is hereby created a "Lee County Tourism Promotion Fund", a distinct fund into which the treasurer shall place the proceeds resulting from the previous month's collection of this hotel tax. The monies in this fund shall be utilized solely and exclusively for the purpose

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stated in section 3-2-1 of this chapter.

- G. Nonliability Of County: This tax shall not in any manner constitute an indebtedness by Lee County subject to any limitation imposed by statute or otherwise.
- H. Violation; Penalty: Any person who violates any provision of this section, upon conviction thereof, shall be punished by a fine of not less than two hundred dollars (\$200.00) nor more than five hundred dollars (\$500.00) for the first offense, and not less than three hundred dollars (\$300.00) and not more than seven hundred fifty dollars (\$750.00) for the second and each subsequent offense during any one hundred eighty (180) day period. A separate and distinct offense shall be regarded as having been committed each day said person shall continue such violation.

I. 3-2-4: COST OF ADMINISTRATION, COLLECTION AND ENFORCEMENT:

Effective December 1, 2004, upon receipt of hotel tax monies, the treasurer shall assess a fee of one and one-half percent (1 1/2%) of the hotel tax and penalties collected for the purpose of administration, collection and enforcement of this chapter.

- A. Annual Appropriations: The amounts appropriated to support the efforts of the Lee County tourism, as provided for by this chapter, shall be included in and be a part of the annual appropriation ordinance of Lee County, as adopted by the Lee County board.

3-2-6: EFFECTIVE DATE:

The ordinance codified in this chapter shall be in effect on December 1, 2023.