

**AN ORDINANCE AMENDING CHAPTER 100 OF THE 1988 CITY OF
SPRINGFIELD CODE OF ORDINANCES AS AMENDED, PERTAINING
TO ONLINE TRAVEL COMPANIES**

WHEREAS, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

WHEREAS, it is appropriate to include in the definition of "Hotel" the online travel companies that rent individual rooms and houses as part of their ongoing business activities; and

WHEREAS, the best interest of the City to amend Chapter 100.

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
SPRINGFIELD, ILLINOIS:**

Section 1: That the City Council hereby amends Chapter 100, as shown on attached Exhibit "A".

Section 2: That the City Clerk is hereby directed to publish this ordinance in pamphlet form.

Section 3: That this ordinance shall become effective immediately after its passage and publication in pamphlet form and recording by the City Clerk.

PASSED: _____, 2018

SIGNED: _____, 2018

RECORDED: _____, 2018

Mayor James O. Langfelder

ATTEST: _____

City Clerk Frank J. Lesko

Approved as to legal sufficiency:

**Requested by: Alderman Kristin DiCenso
and Mayor James O. Langfelder**



Office of Corporation Counsel / Date

EXHIBIT "A"

CHAPTER 100. - TAXATION ARTICLE I. - GENERAL PROVISIONS

§ 100.00.2. - Definitions.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

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, room and/or house rentals and apartment houses.

Operator. Any person operating a hotel.

Online Travel Company (OTC). An organization that books reserves, or rents hotel accommodations and makes other travel arrangements for consumers via the internet or other digital means.

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 person who occupied or has the right to occupy any room or rooms in a hotel for at least 30 consecutive days.

Rent or rental. The consideration received for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature. This shall also include the (a) the net rate paid to the hotel by the OTC for occupancy by the consumer and (b) the amount retained by the OTC for travel-related services it provided to the traveler, and any additional amounts retained by the OTC as compensation for its travel services to the consumer for the individual transaction, or in the instance of a direct rental of a room or rooms by the consumer with the hotel, the rental rate shall mean the amount charged by the hotel directly to the consumer for the occupancy.

Room or rooms. Any living quarters, sleeping or housekeeping accommodations.

Tax collector. A retailer of titled tangible personal property or a business that rents, leases, or lets rooms, maintaining a place of business in the city, or a retailer of titled tangible personal property authorized by the office of budget and management of the city to collect the taxes imposed by this chapter. Where the Springfield use tax is at issue, that tax is not paid to a retailer in his capacity as tax collector shall be paid to the office directly by any person using such property within this city.

(Ord. No. 366-7-98, § 1(Exh. A), 7-21-98)

ARTICLE IV. - HOTEL AND MOTEL ROOM TAX

§ 100.25. - Reserved.

§ 100.26. - Tax imposed.

- (a) There is levied and imposed a tax of 7% of the rent charged for the privilege and use of renting a hotel or motel room within the city for each 24-hour period or any portion thereof for which a daily room charge is made, provided that the tax shall not be levied and imposed on any person who rents a hotel or motel room for more than 30 consecutive days or to a person who works and lives in the same hotel or motel. The tax must be charged for the initial 30 consecutive days, unless a signed rental contract is on file with the tax collector. Upon the 31st consecutive day of rental, the renter is

due a refund or credit from the tax collector for the 30 consecutive days of tax paid. Persons engaged in the business of renting, leasing or letting rooms in a hotel only to permanent residents are exempt from the provisions of this article.

- (b) Businesses engaged in renting, leasing, or letting rooms within the city are required to collect the Springfield Hotel and Motel Room Tax, however the ultimate incidence of any liability for payment of the tax is to be borne by the person who seeks the privilege of occupying the hotel or motel room, that person hereinafter referred to as renter.
- (c) The tax levied shall be paid in addition to any and all other taxes and charges. It shall be the duty of the Operator and/or OTC-owner of every hotel or motel to secure the tax from the renter of the motel and hotel room and to pay over to the director or any authorized representative of his office the tax under procedures prescribed by the director, or as otherwise provided in this article.
- (d) Every Operator and/or OTC person required to collect the tax levied by this article shall secure the tax from the renter at the time he collects the rental payment for the hotel or motel room.

(Ord. No. 366-7-98, § 1(Exh.A), 7-21-98; Ord. No. 129-02-08, § 1, 2-27-08; Ord. No. 053-02-17, § 1, 2-7-17)

State Law reference— Hotel or motel room tax, 65 ILCS 5/8-3-14.

§ 100.27. - Books and records.

- (a) The director, or his authorized representative, may enter the premises of any hotel or motel for inspection and examination of records in order to effectuate the proper administration of this article, and to assure the enforcement of the collection of the tax imposed. It shall be unlawful for any person to prevent, hinder, or interfere with the director or his authorized deputy or representative in the discharge of his duties in the performance of this article. It shall be the duty of every Operator and /or OTCowner to keep accurate and complete books and records to which the director, or his authorized representative, shall at all times have full access, which records shall include a daily sheet showing the number of hotel or motel rooms rented during the 24-hour period, including multiple rentals of the same hotel or motel room where such shall occur, and the actual hotel or motel tax receipts collected for the date in question.
- (b) Every hotel or motel Operator and/or OTC shall keep separate books or records of his business as an Operator and/or OTC so as to show the rents and occupancies taxable under this article separately from his transactions not taxable hereunder.

§ 100.28. - Tax returns; filing.

- (a) Every Operator and /or OTC person engaged in the business of renting, leasing or letting rooms in a hotel in this city shall file tax returns showing tax receipts received with respect to each hotel or motel room during each month. The return shall be due on or before the last day of each succeeding calendar month and the return shall indicate for what period the return is to be filed, for example a return for January tax receipts shall be due on or before the last day of February. If the Operator's and/or OTC'sowner's average monthly tax liability does not exceed \$60, the director may authorize the Operator and/or OTCowner to file the returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 30 of such year, with the return for April, May, and June of a given year being due by July 31 of such year, with the return for July, August, and September of a given year being due by October 31 of such year, and with the return for October, November, and December of a given year being due by January 31 of the following year.

- (b) At the time of filing the tax returns, the Operator and/or OTCowner shall pay to the director all taxes due for the period to which the tax return applies.
- (c) With the return, the tax collector shall also file copies of the tax returns filed by the tax collector with the Illinois Department of Revenue covering the same reporting period.

(Ord. No. 366-7-98, § 1(Exh.A), 7-21-98)

§ 100.29. - Collection.

Whenever any Operator and/or OTCperson shall fail to pay any tax as herein provided, the corporation counsel shall, on the request of the director, bring or cause to be brought an action to enforce the payment of the tax on behalf of the city in any court of competent jurisdiction.

(Ord. No. 366-7-98, § 1(Exh.A), 7-21-98)

§ 100.30. - Proceeds of tax and fines.

Unless the hotel or motel is located within a business district established by the city pursuant to 65 ILCS 5/11-74.3-1 et seq., as amended, all proceeds resulting from the imposition of the tax under this article, including penalties, shall be applied as follows:

- (a) Five percent of the gross tax revenue collected each year shall be appropriated for and directed to the office of budget and management to defray the costs of administering and processing the imposition, application, and collection of the tax.
- (b) The first \$100,000 of the net revenue collected each year shall be paid to the Springfield Metropolitan Exposition and Auditorium Authority for the purpose of paying the principal and interest on bonds of the Springfield Metropolitan Exposition and Auditorium Authority to be designated "Civic Center Revenue Bonds, Series 2011" in the principal amount not to exceed \$8,000,000. This commitment on the part of the city to make payments to the Springfield Metropolitan Exposition and Auditorium Authority shall continue only until all such indebtedness of the Springfield Metropolitan Exposition and Auditorium Authority regarding the aforementioned bond issue is paid. The city pledges to and covenants with the Springfield Metropolitan Exposition and Auditorium Authority and the holders of the aforementioned bonds that so long as any such indebtedness of the Springfield Metropolitan Exposition and Auditorium Authority remains outstanding, the city will continue to impose the taxes with respect to the use and privilege of renting a hotel or motel room provided for in this article, will continue to make payments to the Springfield Metropolitan Exposition and Auditorium Authority of the first \$100,000 of the net revenue collected each year pursuant to this article, and will not issue any bonds, notes, or other evidences of indebtedness or enter into any other agreement nor in any other manner permit the first \$100,000 of the net revenue collected each year pursuant to this article to be encumbered in any manner whatsoever except as provided for payment to the Springfield Metropolitan Exposition and Auditorium Authority. However, the Springfield Metropolitan Exposition and Auditorium Authority shall provide in its bond ordinance relating to the aforementioned bonds that any of the taxes paid or payable to the Springfield Metropolitan Exposition and Auditorium Authority not required for its debt service requirements or reserve requirements shall be paid to or retained by the city and any such moneys so paid to or retained by the city shall be free and clear of the pledges and covenants herein provided.

- (c) Payment of the net revenues to the Springfield Metropolitan Exposition and Auditorium Authority shall be made at dates and times to be determined by the city, but no later than February 1, in the calendar year immediately succeeding the calendar year in which the tax is imposed, unless such revenues are not needed for debt service requirements or reserve requirements for the aforementioned bond issue.
- (d) The aforesaid \$100,000 shall be payable only from the net revenues of the tax imposed under this article. In the event the net tax revenues are not sufficient in any one year to permit the payment of \$100,000, the city shall pay only those net revenues collected. The city shall not be obligated to pay any resulting deficiency from any other source nor shall it be obligated to repay any such deficiency from future net revenues received from the tax imposed under this article. No tax anticipation warrants maybe issued by this city or the Springfield Metropolitan Exposition and Auditorium Authority with respect to the aforementioned \$100,000 of net revenues from the tax imposed under this article.
- (e) The moneys received by the city from the tax provided shall be deposited in the city treasury and the appropriate and necessary payment not to exceed \$100,000 shall be made to the Springfield Metropolitan Exposition and Auditorium Authority at the time or times provided in division (c) of this section. All net tax revenues collected and not necessary for or paid to the Springfield Metropolitan Exposition and Auditorium Authority pursuant to the provisions of this article shall be transferred to the city treasury to be retained until lawfully appropriated and expended by ordinance by the city council.
- (f) One-third of the net tax revenue collected each year shall be deposited into Fund 095.
- (g) Proceeds in an amount equal to 14% of the annual tax raised shall be dedicated first to the operations and maintenance of Oak Ridge Cemetery and second to special projects to increase downtown tourism or fund specific Springfield Convention and Visitors Bureau tourism projects in such amounts as may be approved annually by the city council.

(Ord. No. 425-7-97, § 1, 7-15-97; Ord. No. 826-12-05, § 1, 12-6-05; Ord. No. 129-02-08, § 1, 2-27-08; Ord. No. 429-11-11, § 1, 11-15-11; Ord. No. 053-02-17, § 2, 2-7-17)

§ 100.30.1. - Deposit of proceeds.

All proceeds resulting from the imposition of a hotel or motel tax within a business district established pursuant to 65 ILCS 5/11-74.3-1 et seq., as amended, shall be deposited in accordance with the ordinance(s) imposing the hotel or motel tax within said business district.

(Ord. No. 510-08-07, § 1, 8-8-07)

ORDINANCE FACT SHEET

REQUEST FORM NO: _____
 DATE OF 1ST READING: Jan. 2, 2018

OFFICE REQUESTING: Alderman Kristin DiCenso CONTACT PERSON: _____
 PHONE NUMBER: _____

EMERGENCY PASSAGE: No Yes If yes, explain justification.

TYPE OF ORDINANCE: City Code Amendment FISCAL IMPACT: _____
 (If amending a previous ordinance, please attach a copy of the previous ordinance)

SUGGESTED TITLE:
 AN ORDINANCE AMENDING CHAPTER 100 OF THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES, AS AMENDED, PERTAINING TO ONLINE TRAVEL COMPANIES

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

CONTRACTOR / VENDOR NAME: _____ VENDOR NO: _____
 CONTRACT TERM: _____ CONTRACT # _____ Change in Scope Yes No

CONTRACT AMOUNT:

(Original amount if change order)

Change Order #

Additional Amount

Method of Purchase (check one) Previous Ord #'s _____
 Low Bid Other: _____ Is Purchasing Agent approval required? No Yes
 Low Bid Meeting Specs Exception: _____ Is Purchasing Agent approval attached? No Yes
 Low Evaluated Bid Code Provision: _____

Accounting information (if more than four accounts, please attach list)

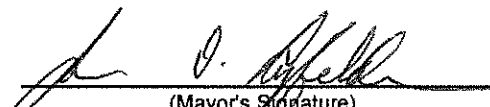
REVENUE					
Fund	Agency	Org	Activity	Source	Amount
1					
2					
3					
4					

EXPENDITURE					
Fund	Agency	Org	Activity	Object	Amount
1					
2					
3					
4					

FUNDS CHECK BY: _____	Date: _____
DIRECTOR / SUPERVISOR SIGNATURE _____	Date: _____
CITY PURCHASING AGENT: _____	Date: _____

COMMENTS

It is in the best interest of the City to amend Chapter 100 of the City Code to include online travel companies that rent individual rooms and houses as part of their ongoing business activities to the definition of "Hotel."

SIGN OFF:  _____
 (Mayor's Signature)

 (Director of OBM) 10791