

CITY OF CHENOA

ORDINANCE NO. _____

**AN ORDINANCE AMENDING SECTIONS OF TITLE 3 CHAPTER 8 OF THE CITY
CODE, REGARDING HOTEL/MOTEL TRANSIENT OCCUPANY RENTAL UNITS
AND RELATED MATTERS**

ADOPTED BY THE
CITY COUNCIL
OF THE
CITY OF CHENOA

THIS _____ DAY OF _____, 2020

Published in pamphlet form by authority of the
City Council of the City of Chenoa, McLean County, Illinois
this _____ day of _____, 2020

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AN ORDINANCE AMENDING SECTIONS OF TITLE 3 CHAPTER 8 OF THE CITY CODE,
REGARDING HOTEL/MOTEL TRANSIENT OCCUPANCY RENTAL UNITS
AND RELATED MATTERS

WHEREAS, the City of Chenoa, pursuant to law, presently has in effect certain provisions in regard to a hotel/motel transient rental unit tax in effect within the City of Chenoa Code in Title 3, Chapter 8, Sections 1 to 9; and

WHEREAS, the City of Chenoa deems it to be in the best interests of the citizens of the City of Chenoa and the public in general that said provisions regarding a hotel/motel and transient/occupancy rental unit tax be amended as provided herein;

WHEREAS, the City Council of the City of Chenoa deems it to be an appropriate exercise of the municipal corporate authority of the City granted by the Illinois Constitution and relevant statutes, including, but not necessarily limited to, the power to impose utility taxes and the power to promote and protect the public health, safety and welfare to amend the present hotel/motel and transient occupancy rental unit tax as provided herein.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHENOA, MCLEAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. That the corporate authorities hereby find that all of the recitals hereinbefore stated as contained in the preamble to this ordinance are full, true and correct and do hereby, by reference, incorporate and make them a part of this ordinance as legislative findings.

Section 2. That the purposes of this ordinance shall include amending Title 3, Chapter 8, Sections 1 to 9, as provided herein.

Section 3. That prospectively, Title 3, Chapter 8, Sections 1 to 9, is hereby amended to prospectively provide as follows, which provisions herein shall specifically supersede

prospectively the prior provisions within Title 3, Chapter 8, Sections 1 to 9, and additionally supersede the provisions of any other ordinance and/or part thereof in conflict with the provisions of this ordinance, which shall prospectively provide as follows:

Section 3-8-2: Definitions.

Certain words or terms herein shall have the meaning ascribed to them as follows:

“Hotel” means a structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment, home, lodging house, dormitory or place where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, whether with or without meals.

“Lessor” is any person having a sufficient proprietary interest in conducting the operation of a Hotel, or receiving the consideration for the rental of all or part of such Hotel, so as to entitle such person to all or a portion of the net receipts thereof, including Facilitators, as defined herein.

“Facilitator” is any person or entity who provides a means through which a person may book a Hotel room to Lessees, regardless of whether payment is transferred through or processed by such Facilitator. Facilitators are considered Lessors, as used herein. Online Travel Companies are considered Facilitators, as used herein.

“Online Travel Company” is an organization that books, reserves, or rents hotel or motel rooms and makes other travel arrangements for consumers via the World Wide Web, internet or other digital means. Online Travel Companies are considered Facilitators, as used herein.

“Lessee” is any person who pays for the privilege of occupying all or part of a Hotel.

“Gross Rent” means the total amount of consideration 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, including but not limited to, amounts charged for the making, booking, facilitating or servicing of reservations. Gross rent means both (a) the “net rate” paid to the hotel or motel by a Facilitator for room occupancy by the consumer; and (b) the amount retained by the Facilitator for travel-related services provided to the consumer (sometimes referred to as a “facilitation fee”), and any additional amounts retained by the Facilitator as compensation for its services to the consumer for the individual transaction, or, in the instance of a consumer’s direct rental of a room with the hotel or motel, gross rent shall mean the amount charged by the hotel or motel directly to the consumer for the occupancy of the room.

“Person” means any natural person, receiver, administrator, executor, conservator, assignee, trust in perpetuity, trust, estate, firm, co-partnership, joint venture, club,

company, business trust, domestic or foreign corporation, association, syndicate, society or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, whenever the term "Person" is used in any clause prescribing and imposing a penalty, the term as applied to associations shall mean the owners or part-owners thereof, and as applied to corporations, the offices thereof, or any other entity recognized by law as the subject of rights and duties.

"Permanent resident" means any person who has occupied or has the right to occupy all or part of a Hotel for more than (30) consecutive days.

Section 3-8-3: Hotel Use Tax Imposed.

A. There is levied and imposed a tax of three (3) percent of the Gross Rent charged for the privilege and use of renting a Hotel room within the City of Chenoa for each twenty-four (24) hour period or any portion thereof for which a room charge is made.

B. Accommodations within said buildings or structures which are leased to the same occupant for a period of more than thirty (30) consecutive days shall be exempt from the tax provisions of this Article.

C. Lessors renting or leasing Hotel rooms within the City are required to collect the Hotel Use Tax; however, the ultimate incidence of any liability for payment of the tax is to be borne by the Lessee.

D. The Hotel Use Tax shall be paid in addition to any and all other taxes and charges.

E. It shall be the duty of every Lessor of every Hotel within the City to separately state such tax at the three (3) percent rate upon the total amount of compensation charged for the use of the Hotel. The Lessor shall also state separately the amount of tax on the invoice for the transaction that will be tendered to the Lessee.

F. It shall be the duty of every Lessor of every Hotel within the City to collect the tax from the Lessee at the time the Lessee pays for the privilege of occupying all or part of a Hotel Transient Occupancy Rental Unit, and to remit to the City the tax under procedures provided for in this chapter or otherwise prescribed by the City. If more than one Person is the Lessor as related to a particular transaction, the Lessors are jointly and severally responsible for collecting and remitting the tax.

G. It shall not be a defense to this ordinance that the Lessor is not licensed by the City to rent Hotels and the Lessor will still be required to remit the proper tax to the City.

Section 3-8-4: Books and Records.

Every operator shall keep separate books or records of his business as an operator so as to show the rents and occupancies taxable under this chapter separately from his transactions not taxable hereunder. Upon reasonable notice to the operator, all applicable books and

records shall be made available to the treasurer or his authorized representative for his evaluation with respect to this chapter.

Section 3-8-5: Transmittal of Tax Revenue

A. The Lessor of each Hotel within the City shall file returns and remit collected taxes, to the Treasurer showing tax receipts received with respect to each Hotel during each monthly period commencing on December 01 2020, and continuing on the first day of every month thereafter on forms prescribed by the City. The return shall be due on or before the fifteenth day of the calendar month succeeding the end of the monthly filing period. Each Lessor shall file an application with the City Clerk for a City Taxpayer Identification Number prior to filing its first tax return.

B. The first taxing period for the purpose of this chapter shall commence on December 01, 2020; and the tax return and payment for such period shall be due on or before January 15, 2021. Thereafter, reporting periods and tax payments shall be in accordance with the provisions of this chapter. At the time of filing such tax returns, the owner shall pay to the Treasurer all taxes due for the period to which the tax return applies.

C. The person filing the return herein provided for shall, at the time of filing such return, pay to the department the amount of tax herein imposed. If a return is not filed when and as required or if a tax payment is not made as required, the taxpayer shall be liable for a penalty equal to five (5) percent of the tax due during the applicable period for each month or fraction of a month until such return is filed and payment is made as required. The treasurer shall be authorized to compromise or waive part or all of the penalty requirements of this section if he finds that the situation for which the person is to be charged was due entirely or in part to the fault of the city or any agent thereof, or the person to be charged under said section was without fault in bringing about the situation for which he is to be charged, and the imposition of the financial requirements would work a hardship upon the person.

D. If a return is no filed within the time and manner provided and prior to the City issuing a notice of tax delinquency or notice of tax liability, then a failure to file penalty shall be assessed equal to twenty-five (25) percent of the total tax due for the applicable reporting period for which the return was required to be filed.

E. The City hereby provides for interest to be assessed on a late payment, underpayment or non-payment of the tax, to be (5) percent per annum, based on a year of 365 days and the number of days elapsed.

Section 3-8-6: Violations.

A. Any person engaged in the business of renting, leasing or letting hotel rooms in the city of Chenoa who fails to make a return, or to keep books violates any rule or regulation of the treasurer for the administration enforcement of the provisions of this chapter, or any officer or agent of a corporation engaged in the business of renting, leasing or letting

hotel rooms in this state who signs a fraudulent return made on behalf of such corporation shall, upon conviction therefor, be fined not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) for each offense.

- B. Any hotel operator who collects or attempts to collect an amount (however designated) which purports to reimburse such operator for hotel operators' occupation tax liability measured by receipts which such operator knows are not subject to hotel operators' occupation tax, or any hotel operator who over collects or attempts to over collect an amount purporting to reimburse such operator for hotel operators' occupation tax liability in a transaction which is subject to the tax that is imposed by this chapter shall, upon conviction therefor, be fined not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) for each offense.

Section 3-8-7: Rules, Regulations, and Other Actions Authorized

- A. The Treasurer may promulgate rules and regulations not inconsistent with the provisions of this chapter concerning enforcement and application of this chapter. The phrase "rules and regulations" includes, but is not limited to, case-by-case determination of whether or not the tax imposed by this chapter applies.
- B. The officers, employees and/or agents of the City of Chenoa shall take all action necessary or reasonably required to carry out, give effect to and consummate the amendments contemplated by this ordinance and shall take all action necessary in conformity therewith. The officers, employees and/or agents of the City are specifically authorized and directed to draft and disseminate any and all necessary forms to be utilized in connection with these amendments. Any and all actions previously performed by officials, employees and/or agents of the City in connection with carrying out and consummating the intent of this ordinance are hereby authorized, approved and ratified by this reference.

Section 3-8-8: Delinquent Taxes; Liens.

In the event any hotel operators' occupation tax, including penalties, is not paid within sixty (60) days after payment thereof is due, such charges shall be deemed and are hereby declared to be delinquent, and thereafter such delinquent taxes and all subsequent taxes, including penalties, incurred while the delinquent charges remain unpaid and all costs of filing any lien notice(s) and of releasing any lien(s) shall constitute a lien upon the real estate to which such taxes relate. The treasurer or his authorized representative is hereby authorized to file sworn statements showing such delinquencies and subsequent taxes, including penalties, in the office of the recorder of deeds of McLean County, Illinois. These statements shall contain the legal description of the involved premises, the amount of the unpaid taxes and penalties and a notice that the city claims a lien for the total amount. The filing of such statements shall be deemed lien notices for the payment of such taxes and penalties.

Section 3-8-9: Foreclosure of Lien and Other Judicial Action.

- A. Any and all lien(s) for hotel operators' occupation tax(es) established by law against the premises to which they relate may be enforced and foreclosed by and on behalf of the city at any time in the appropriate circuit court of McLean County, Illinois according to the rules and practices of said court. Said lien(s) also may be enforced and foreclosed by intervention at any time in any suit already commenced in said court or any other court whatever when said intervention is proper under the law. Whenever the city is made a defendant in any suit in any court, it shall have full power to enforce said lien(s) in said proceedings at any time in any manner permitted by law. The party or parties responsible for said taxes and penalties may also be sued for the amount thereof as debt(s) owed to the city.
- B. The city attorney is hereby authorized to take any judicial action referred to herein on behalf of the city or to authorize any other person to do so.
- C. No method(s) herein provided for collecting said taxes shall be considered as excluding any other remedy or any other method of collecting said taxes but shall be concurrent with all other remedies and methods.

Section 4. Headings: That the headings of the articles, sections, paragraphs and subparagraphs of this Ordinance are inserted solely for the convenience of reference, and form no substantive part of this Ordinance nor should they be used in any interpretation or construction of any substantive provision of this ordinance.

Section 5. Publication of Ordinances: That this ordinance shall be published in accordance with all applicable state and local laws. Copies of this ordinance shall be made available to the public upon request at the City Clerk's office.

Section 6. Application: That this ordinance shall be liberally construed and administered to supplement all of the City tax ordinances. To the extent that any ordinance is in conflict with or inconsistent with this ordinance, this ordinance shall be controlling.

Section 7. Severability: That if any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 8. Effective Date: That this ordinance shall be in full force and effect for all Hotel bookings made on or after December 1, 2020.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Chenoa, McLean County, Illinois, held on the ____ day of _____, 2020.

MAYOR AND ALDERMEN	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
Chris Wilder			
Kyle Buchanan			
Dwayne Price			
Chad Daiker			
Lee Reinhart			

APPROVED: _____, Dated ____/____/____
Mayor

ATTEST: _____, Dated ____/____/____
City Clerk, City of Chenoa

STATE OF ILLINOIS)
) SS.
COUNTY OF McLEAN)

CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Chenoa, in the County and State aforesaid, and as such City Clerk I am the keeper of the records and files of the City Council of said City.

I do hereby certify that the foregoing attached Ordinance is a full, true and correct copy of Ordinance No. _____, (AN ORDINANCE AMENDING SECTIONS OF TITLE 3 CHAPTER 8 OF THE CITY CODE, REGARDING HOTEL/MOTEL TRANSIENT OCCUPANY RENTAL UNITS AND RELATED MATTERS), duly adopted and passed by the City Council of said City at its regularly convened meeting held on the ____ day of _____, 2020, and that the ordinance as passed was signed by the Mayor of said City on said day, all as the same appears in the official records of the City Council of said City in my care and custody.

The pamphlet form of Ordinance No. _____, including the Ordinance and a cover sheet thereof, was prepared, and a copy of the Ordinance was posted in the municipal building, commencing on _____, 2020, and continuing for at least ten days after passage. Copies of the Ordinance were also available for public inspection upon request in the office of the municipal clerk.

IN WITNESS WHEREOF, I have hereunto affixed by official signature this ____ day of _____, 2020.

City Clerk