

ORDINANCE NO. 23-_____

AN ORDINANCE AMENDING SECTION 9 (FOOD AND BEVERAGE TAXES) OF CHAPTER 1 (MUNICIPAL OCCUPATION TAXES), TITLE 3 (BUSINESS AND LICENSE REGULATIONS), OF THE NAPERVILLE MUNICIPAL CODE

WHEREAS, the City of Naperville is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Constitution of the State of Illinois; and

WHEREAS, pursuant to Article VII, Section 6(a), of the Illinois Constitution, the City of Naperville ("City") may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare which includes the broad general power to tax; and

WHEREAS, under its home rule authority, the City has imposed a Food and Beverage Tax for the purposes of funding certain functions specifically defined by City code; and

WHEREAS, those functions funded by the Food and Beverage Tax may be amended from time to time as deemed necessary and appropriate to fulfill the goals of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS, in exercise of its home rule authority that:

SECTION 1: The Recitals set forth above are incorporated herein in their entirety by reference.

SECTION 2: Title 3 (Business and License Regulations), Chapter 1 (Municipal Occupation Taxes), Section 9 (Food and Beverage Taxes) is hereby amended by adding the underlined language and removing the stricken language as follows:

3-1-9: - FOOD AND BEVERAGE TAXES:

- 1. Definitions: through 3. Exemptions: * * *
- 4. Collection Of Tax(es) By Retailer: The owner and the operator of each retail food facility and each retail liquor facility within the City shall jointly and severally have the duty to collect and account for said tax(es) from each purchaser at the time that the consideration for such purchase is paid.

Distribution of Collected Food and Beverage Taxes shall be as follows:

4.1. Recovery of the City's costs attributable to the collection of the food and beverage tax shall first be distributed, thereafter, fifty percent (50%) ~~seventy-five percent (75%)~~ of the taxes collected pursuant to the food and beverage tax imposed herein, up to a maximum of one million nine hundred thousand dollars (\$1,900,000.00) a year shall be contributed to the Special Events and Community Arts Cultural Amenities (SECA) Grant Program which will increase annually beginning in 2019 at the lesser of a two-percent (2%) flat rate or the Chicago-Naperville-Elgin, Ill.-Ind.-Wis. Consumer Price Index (CPI) rate; and at least twenty-five percent (25%) of the taxes collected pursuant to the food and beverage tax imposed herein shall be split equally and contributed to the Naperville Police Pension Fund and the Naperville Firefighters Pension Fund, and said contribution may be used to meet the City's legally required funding obligations or to exceed the City's legally required funding obligations for the Pension Funds in any given year; and, up to twenty-five percent (25%) of the taxes collected pursuant to the food and beverage tax imposed herein, up to a maximum of one million dollars (\$1,000,000.00) a year shall be contributed to the Naper Settlement Fund which will increase annually beginning in 2025 at the lesser of a two-percent (2%) flat rate or the Chicago-Naperville-Elgin, Ill.-Ind.-Wis. Consumer Price Index (CPI) rate. Any remaining revenue available shall be first used as additional funding for the City's Social Service Grant Program up to a maximum of seven hundred and fifty thousand dollars (\$750,000.00) ~~five hundred thousand dollars (\$500,000.00)~~; and any remaining revenue above that level will be used to reduce the City's long term debt obligations. ~~During the 2020 and 2021 budget years, City Council may authorize an alternative distribution of taxes as deemed necessary and appropriate.~~

- 5. Book and Records: through 10. Violations: * * *

SECTION 3: 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 or any other City ordinance or resolution.

SECTION 4: This Ordinance shall be in full force and effect upon its passage and approval.

PASSED this _____ day of _____, 2023.

AYES:

NAYS:

ABSENT:

APPROVED this _____ day of _____, 2023.

Scott A. Wehrl
Mayor

ATTEST:

(Name)
Records Clerk