

ORDINANCE NO. 25-_____

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

RECITALS

1. **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
2. **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
3. **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
4. **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; and
5. **WHEREAS**, the City Council expressed a desire to increase funding for the Special Events and Community Arts grant program during the 2026 budget review process.

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 foregoing Recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

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

TITLE 3 – BUSINESS AND LICENSE REGULATIONS

CHAPTER 1 – MUNICIPAL OCCUPATION TAXES

SECTION:

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%) 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)~~ two million five-hundred and ten thousand dollars (\$2,510,000.00) a year shall be contributed to the Special Events and Community Arts (SECA) Grant Program which will increase annually beginning in ~~2019~~ 2027 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); and any remaining revenue above that level will be used to reduce the City's long term debt obligations.

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

SECTION 3: Savings Clause. If any provisions of this Ordinance or its application to any person or circumstance is held invalid or unenforceable by any court of competent jurisdiction, this invalidity or unenforceability does not affect any other provisions or application of this Ordinance, which can be given effect without the invalid or unenforceable provision or application. To achieve this purpose, the provisions of this Ordinance are declared to be severable.

SECTION 4: Effective date. This Ordinance shall take full force and effect upon its approval.

ADOPTED this _____ day of _____, 2025.

AYES:

NAYS:

ABSENT:

APPROVAL this _____ day of _____, 2025.

Scott Wehrli
MAYOR

ATTEST:

Dawn Portner
CITY CLERK