

ORDINANCE NO. 18-_____

**AN ORDINANCE AMENDING CHAPTER 10 (HOTEL AND MOTEL USE TAX) OF
TITLE 3 (BUSINESS AND LICENSE REGULATIONS)
OF THE NAPERVILLE MUNICIPAL CODE
INCREASING THE HOTEL AND MOTEL USE TAX RATE TO 5.50% AND
CLARIFYING SAID TAX APPLIES TO THE USE OF ONLINE RENTAL COMPANIES**

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, the City of Naperville currently imposes a hotel and motel use tax upon the use and privilege of renting any building to the public for living quarters for 30 days or less at a rate of 4.40% of the room rental rate;

WHEREAS, desires and this Ordinance is intended to increase the City of Naperville’s hotel and motel use tax from 4.40% percent to 5.50% and amends the hotel and motel use tax regulations to clearly indicate that such regulations apply to all persons engaged in the business of renting, leasing or letting rooms, including online rental companies.

WHEREAS, the taxes and regulations imposed by Section 3-10 of the Naperville Municipal Code shall be administered, collected and enforced by the City of Naperville; and

WHEREAS, the City of Naperville finds that it is in the best interests of the City and the public to amend the Naperville Municipal Code to increase the City of Naperville’s hotel and motel use tax from 4.40% percent 5.50% and amend the hotel and motel use tax regulations to clearly

indicate that such regulations apply to all persons engaged in the business of renting, leasing or letting rooms, including online rental companies; and

WHEREAS, to increase the City of Naperville’s hotel and motel use tax from 4.40% percent 5.50% and amend the hotel and motel use tax regulations to clearly indicate that such regulations apply to all persons engaged in the business of renting, leasing or letting rooms, including online rental companies, an ordinance must be adopted for the City of Naperville to administer and enforce said regulations as of April 1, 2018;

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

SECTION 1: Recitals. The facts and statements set forth above in the preamble to this Ordinance are found to be true and correct and are hereby adopted and incorporated herein as part of this Ordinance in their entirety by reference.

SECTION 2: Increase of Tax Rate and Amend Owner Definition to Include Online Companies. Chapter 10 (Hotel and Motel Use Tax) of Title 3 (Business And License Regulations) of the Naperville Municipal Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

CHAPTER 10 – HOTEL AND MOTEL USE TAX

Section:

3-10-1: - DEFINITIONS:

Hotel or Motel: Any building or ~~buildings~~ structure, or portion thereof, kept, used, maintained, advertised and held out to in which the public to be a place where lodging, or lodging and food, or apartments, or suites, or other accommodations are offered for a consideration to guests, including but not limited to such buildings or structures, or portions thereof, booked through online travel companies, businesses or websites, including on airbnb.com, vrbo.com, craigslist.org or similar websites. may, for rent, obtain living quarters, sleeping or housekeeping accommodations. The term includes

short-term rentals, inns, motels, tourist homes or courts, lodging houses, rooming houses, and apartment houses, and residential homes, , including but not limited to any buildings or structures, or portions thereof, booked through online travel companies, businesses or websites, including on airbnb.com, vrbo.com, craigslist.org or similar websites.

Hotel or Motel Room:

through

Resident Employee:

*

*

*

3-10-2: - TAX; INCIDENCE; PAYMENT; COLLECTION:

1. Tax Imposed: A tax is hereby levied and imposed upon the use and privilege of renting, leasing, or letting a hotel or motel room within the City at a rate of ~~four point four percent (4.4%)~~ five and one half percent (5.50%) of the room rental rate (not including taxes or other nonroom rental charges added to the hotel or motel bill), for each such hotel or motel room rented for every 24-hour period or fraction thereof.
2. Incidence Of Tax: The ultimate incidence of and liability for payment of the tax is to be borne by the person who seeks the privilege of occupying the hotel or motel room, such person hereinafter referred to as rentor. Notwithstanding, the owner of each hotel or motel any other persons engaged in the business of renting, leasing, or letting rooms in a hotel or motel shall bear jointly and severally the duty to collect the tax from each user, lessee or tenant of rooms in such hotel or motel. Every person required to collect the tax levied by ordinance shall secure said tax from the user, lessee or tenant of a room or rooms at the time that he collects the price, charge or rent to which it applies.
3. Payment Of Tax: The tax herein levied shall be paid in addition to any and all other taxes and charges. It shall be the duty of the owner of every hotel or motel to secure the tax from the rentor of the hotel or motel room and to pay the tax over to the City Finance Director under the procedures prescribed by the Finance Director, or as otherwise provided in this Chapter.
4. Collection: Every person required to collect the tax levied by this Chapter shall secure the tax from the rentor at the time he collects the rental payment for the hotel or motel room. The amount due under the tax provided in this Chapter shall be stated separately upon the invoice, receipt or other statement or memorandum given to the rentor at the time of payment.

3-10-3: - BOOKS RECORDS; INSPECTIONS; CONTENTS:

through 3-10-10: - SEVERABILITY:

*

*

*

SECTION 3: Severability. If any section, paragraph, or provision of this Ordinance, or the application of any section, paragraph, or provision of this Ordinance, is held unconstitutional

or otherwise invalid or unenforceable for any reason, such occurrence shall not affect other sections, paragraphs, or provisions of this Ordinance or any other City ordinance or resolution, or their application, that can be given effect without the unconstitutional, invalid, or unenforceable section, paragraph, or provision or its application. Each unconstitutional, invalid, or unenforceable provision, or application of such section, paragraph, or provision, is severable, unless otherwise provided by this Ordinance.

SECTION 4: Conflicts. All ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of the conflict, expressly repealed on the effective date of this Ordinance.

SECTION 5: Effective Date. The 5.50% hotel and motel use tax rate and the regulations to clearly indicate that such regulations apply to all persons engaged in the business of renting, leasing or letting rooms, including online rental companies established herein shall take effect on the first day of April next following its adoption by the City Council.

PASSED this ____ day of _____, 2018.

AYES:

NAYS:

ABSENT:

APPROVED this ____ day of _____, 2018.

Steve Chirico
Mayor

ATTEST:

Pam Gallahue, Ph.D.
City Clerk