



CHICAGO TOURISM IMPROVEMENT DISTRICT DISTRICT PLAN

*Prepared pursuant to the Tourism Preservation and Sustainability District
Act, Illinois Compiled Statutes, Chapter 70, section 3455 et seq.*

January 15, 2026

CONTENTS

I.	OVERVIEW	3
II.	BOUNDARY	5
III.	TRANSACTION CHARGE BUDGET AND SERVICES	6
A.	Annual Service Plan	6
IV.	COST SHARING FORMULA	9
A.	Annual Budget	9
B.	Transaction Charge	9
C.	Rollover Funds	10
D.	Collection, Interest and Overdue Charges	10
V.	GOVERNANCE	11
A.	Local Tourism and Convention Bureau	11
B.	Annual Report	11
VI.	EXISTING SERVICES	11
	APPENDIX 1 – LAW	12

Prepared by
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I. OVERVIEW

Developed by hotels in the City of Chicago and the Chicago Tourism and Convention Bureau, dba Choose Chicago (CC), the Chicago Tourism Improvement District (CTID) is a tourism preservation and sustainability district proposed to provide benefits to payors by funding tourism promotion efforts for hotels paying the CTID transaction charge. CC and hotels in the City of Chicago hereby request the formation of the CTID for a five (5) year term in accordance with the requirements of the Tourism Preservation and Sustainability District Act (TID Act), 70 ILCS 3455 et. seq.

Location: The CTID shall include all hotels, existing and in the future, available for public occupancy with 100 rooms or more located within the following zip codes located within the City of Chicago (City): 60601, 60602, 60603, 60604, 60605, 60606, 60607, 60609, 60610, 60611, 60612, 60615, 60616, 60653, 60654, and 60661 as shown in the map included herein in Section II.

Services: The CTID is designed to provide benefits directly to payors by enhancing tourism through funding supplemental services. Sales, marketing, advertising, public relations, & international marketing programs are aimed at increasing awareness and demand for room night sales at hotels paying the transaction charge and to market payors as visitor, meeting, and event destinations, thereby increasing demand for room night sales and revenue at hotels paying the transaction charge.

Budget: The total CTID annual transaction charge budget to fund supplemental services for the initial year of its operation is anticipated to be approximately \$41,848,868. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do and as hotels open and close.

Cost: The initial and maximum annual transaction charge rate is one and a half percent (1.5%) of gross short-term sleeping room rental revenue. Transaction charges will not be collected on stays subject to exemption pursuant to Section 480.101 of Title 86 of the Illinois Administrative Code. Any transaction charges that may be passed onto the customer may be subject to additional state or local taxes.

After the first imposition of the CTID annual transaction charge, the transaction charge may continue to be imposed until the end of the CTID's term without the requirement of an additional public hearing if the transaction charge rate does not exceed the maximum rate specified in this Plan.

Collection: The City will be responsible for collecting and remitting the transaction charge on a monthly basis (including any delinquencies, overdue charges, and interest) from each hotel located within the CTID. The City shall take all reasonable efforts to collect the transaction charges from each hotel paying the transaction charge and may retain one and a half percent (1.5%) of CTID transaction charge revenue to cover the cost of collection, administration, and costs incurred in pursuing payment of delinquent transaction charges.

Contests: The calculation of the annual transaction charge may be contested in writing to the CC Board of Directors no less than thirty (30) days prior to the effective date of the annual transaction charge.

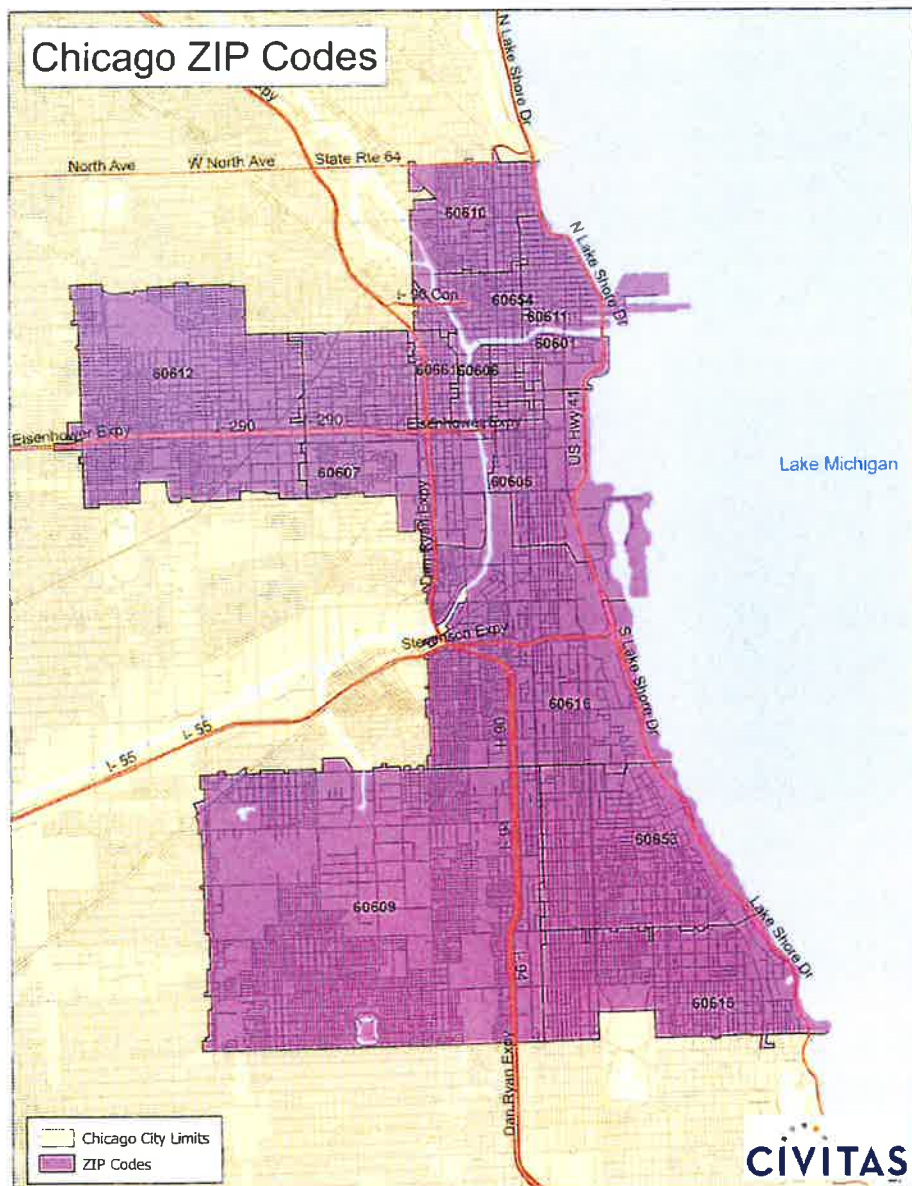
Duration: The CTID will have a five (5) year life. After the initial five (5) year term, the CTID may be renewed pursuant to the TID Act if hotels support continuing the CTID programs and levying of transaction charges.

Management: CC shall serve as the local tourism and convention bureau for the CTID. CC is a nonprofit corporation and shall create a committee composed of the business owners subject to the transaction charge, or their designees, pursuant to 70 ILCS 3455/30(b)(2). The committee shall be responsible for managing funds raised by the CTID and fulfilling the obligations of this Plan. The initial committee will be composed of the steering committee and will propose the initial slate of committee members and governing rules to the Choose Chicago Board of Directors. The committee shall be composed of at least nine (9) and no more than eleven (11) hotel owners. The committee must make all reasonable efforts to ensure equal representation from various hotel sizes and locations within the CTID.

II. BOUNDARY

The CTID shall include all hotels, existing and in the future, available for public occupancy with 100 rooms or more located within the following zip codes located within the City of Chicago (City): 60601, 60602, 60603, 60604, 60605, 60606, 60607, 60609, 60610, 60611, 60612, 60615, 60616, 60653, 60654, and 60661. A map of the proposed boundaries for the CTID is included below. There are no proposed benefit zones for the CTID.

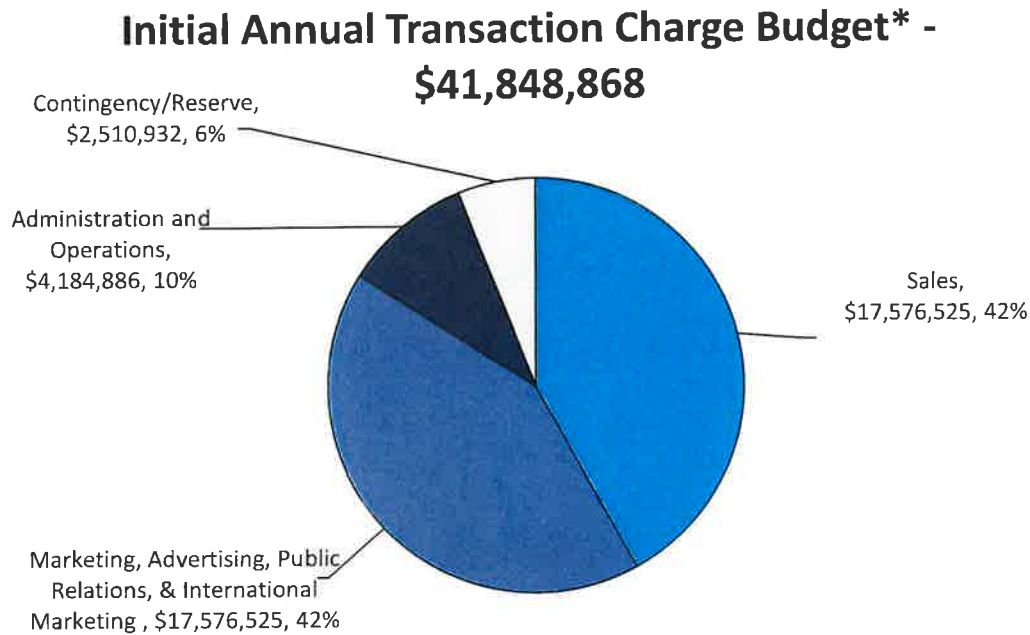
"Hotel" means any building or buildings in which the public may, for consideration, obtain living quarters or sleeping or housekeeping accommodations that will benefit from a district's services or improvements. "Hotel" includes, but is not limited to, inns, motels, tourist homes or courts, lodging houses, rooming houses, retreat centers, conference centers, and hunting lodges. "Hotel" does not include a short-term rental.



III. TRANSACTION CHARGE BUDGET AND SERVICES

A. Annual Service Plan

A service plan transaction charge budget has been developed to deliver supplemental services that benefit the hotels paying the transaction charge. A detailed annual transaction charge budget will be developed and approved by CC. The chart below illustrates the initial annual transaction charge budget allocations. These activities and allocations will also apply in subsequent years. The total initial transaction charge budget is estimated to be \$41,848,868.



**Budget projections are generated using a Historical Trend and Projections report for the final numbers of 2024 provided by Choose Chicago with the 12-month rolling average daily rate of \$241.76 for all hotels within the boundaries of the CTID with 100 or more rooms using a 1.5% transaction charge on gross short-term sleeping room rental revenue. The total budget number also factors less 1.5% credit for collection costs of remittance revenues.*

Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, following a request by the committee the CC board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed services and improvements for the initial year of operation is below. The same services and improvements are proposed for subsequent years. In the event of a legal challenge against the CTID, any and all transaction charge funds may be used for the costs of defending the CTID. In the first year of operation, the costs of creating the CTID may be repaid from CTID transaction charge revenues using the initial collections of the CTID before any other programming.

Each budget category includes all costs related to providing that service. For example, the sales budget includes the cost of staff time dedicated to overseeing and implementing the sales program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories. The staffing levels necessary to provide the services below will be determined by CC on an as-needed basis.

Sales

The sales program will focus on securing and servicing events, meetings, and travel to the City, targeting key vertical, feeder, and growth markets. The sales program may include, but is not limited to:

- **Financial Incentives & Hosting Obligations:** Financial incentive programs may be designed to secure citywide events requiring assistance in offsetting costs such as transportation, convention center rental, and other related expenses to drive visitation to hotels paying the transaction charge. Hosting obligations may be extended for special events and industry gatherings to drive visitation to hotels paying the transaction charge, including events for organizations such as Professional Convention Management Association (PCMA), The Center for Association Leadership (ASAE), International Pow Wow (IPW), as well as nationally and globally significant events such as NCAA Championships, and the NFL Draft;
- **Hotel Grant Fund:** A hotel grant fund may be established to benefit hotels paying the transaction charge. This program will assist hotels paying the transaction charge with competition for overnight group business that might otherwise be directed to other locations. The hotel grant fund program is dependent on full-time equivalents (FTE), and will streamline the grant process to ensure efficiency;
- **Global Meetings & Events Strategy:** A targeted strategy will be developed to enhance Chicago's brand as a premier destination for international meetings and events to drive visitation to hotels paying the transaction charge. This strategic initiative will align with and build upon the Tourism & Global Development's leisure efforts, reinforcing Chicago's position in the global marketplace to drive visitation to hotels paying the transaction charge; and
- Any other programs or services that confer benefit to the payors.

Marketing, Advertising, Public Relations & International Marketing

A strategic marketing, advertising, and PR program will promote Chicago as a preferred leisure, meetings, and event destination with an overarching goal of driving increased overnight visitation to the benefit of the hotels paying the transaction charge. Marketing messaging shall be developed with the goal of reaching all ages of travelers, and targeting all demographics including the BIPOC and LGBTQ+ communities to drive a diverse customer base to hotels paying the transaction charge. The program will focus on international marketing, domestic marketing, conventions, and events. A portion of marketing funds may be dedicated to supporting visitor-focused community events, neighborhood activations, cultural festivals, annual celebrations, and smaller-scale events that drive visitors into all areas of Chicago for the benefit of hotels paying the transaction charge.

International marketing efforts aim to position Chicago as a premier destination on the global stage, attracting international visitors and fostering economic growth for hotels paying the transaction charge. The international marketing program may include, but is not limited to:

- **Out-of-Home Advertising Campaign:** A strategic out-of-home advertising campaign may be developed and tailored to key international markets to drive visitation to hotels paying the transaction charge. This initiative will utilize impactful messaging and visuals to increase awareness and capture the attention of our target audience;
- **Media Events and Global Influencer Engagement:** Hosting media events in Chicago may include inviting influential members of the global media and engaging social media influencers to drive visitation to hotels paying the transaction charge. This engagement will generate positive content, creating a “buzz” around Chicago and showcasing its unique offerings to a diverse global audience to drive visitation to hotels paying the transaction charge;

- Ongoing Public Relations in International Markets: Continuous and proactive public relations efforts may be undertaken in international markets to drive visitation to hotels paying the transaction charge. This strategic communication approach will maintain and enhance Chicago's positive image globally, fostering a favorable perception among our target audience to drive visitation to hotels paying the transaction charge;
- Investment in Representation: Support the establishment of both full-time and part-time representation in key international markets to drive visitation to hotels paying the transaction charge. This investment will enable direct and sustained engagement with target audiences, facilitating relationship-building and promoting Chicago as a preferred destination to drive visitation to hotels paying the transaction charge; and
- Ad Hoc Projects in Emerging Markets: Allow for the allocation of funds to undertake ad hoc projects in emerging markets. This flexible approach will enable us to respond to emerging opportunities, adapt to evolving market dynamics, and proactively position Chicago in high-potential international markets to drive visitation to hotels paying the transaction charge; and
- Any other programs or services that confer benefit to the payors.

Contingency/Reserve

A portion of the budget will be allocated to a contingency fund to account for lower-than-anticipated collections. If collected contingency funds remain in the budget near the expiration of the CTID term, and hotel owners wish to renew the CTID, the contingency funds may be used for renewal costs. CC may allocate funds in any year of CTID operation to be held in reserve to fund specific events/programs in future years.

Administration and Operations

The administration and operations budget will cover augmented administrative staffing, office expenses, advocacy efforts, ROI measurement, and reporting. Additionally, it will support general administrative costs like insurance, legal fees, education, organization dues for services such as advocacy and destination promotion. This will also cover any accounting fees incurred by CC, and if charged the one and a half percent (1.5%) amount that is retained by the City to cover the costs of collection, administration, and costs incurred in pursuing payment of delinquent transaction charges.

IV. COST SHARING FORMULA

A. Annual Budget

The total five (5) year transaction charge budget is projected at approximately \$41,848,868 annually. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do and as businesses open and close.

B. Transaction Charge

The annual transaction charge rate is one and a half percent (1.5%) of gross short-term sleeping room rental revenue. Transaction charges will not be collected on stays subject to exemption pursuant to Section 480.101 of Title 86 of the Illinois Administrative Code. Any transaction charges that may be passed onto the customer may be subject to additional state or local taxes.

The transaction charge was calculated based on the total cost of the activities to be provided for the benefit of the hotels within the CTID. Activities funded by the CTID are specifically targeted to increase room nights at hotels paying the transaction charge. All room night sales do not represent the same benefit to the payors. For example, a higher priced room night is of greater benefit than a lower priced room night because the hotel paying the transaction charge derives greater revenue. To account for this benefit differential, a transaction charge formula based on a percentage of revenue has been selected. The proposed formula accurately reflects greater benefit to transaction charge-paying hotels with higher priced room nights.

The term "gross short term sleeping room rental revenue" as used herein means: the gross amount of consideration for the use or privilege of using hotel accommodations in the City of Chicago, valued in money, including cash, credits, property and services, determined without any deduction for costs or expenses whatsoever. The term "gross short term sleeping room rental revenue" includes any and all charges that the lessee or tenant pays incidental to obtaining the use or privilege of using hotel accommodations, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, late departure fees and other such charges, regardless of terminology. The term "gross short term sleeping room rental revenue" does not include charges that are added to the charge or fee on account of the transaction charge imposed by this Plan or on account of any other tax imposed on the charge or fee. The term "gross short term sleeping room rental revenue" shall exclude separately stated optional charges not for the use or privilege of using hotel accommodations. The fact that the lessee or tenant could have avoided the charge by obtaining the use or privilege from or through a different owner, manager or operator, pursuant to different terms, or through a course of performance that would have avoided the obligation to pay the charge, does not make the charge "optional".

The transaction charge is levied upon and a direct obligation of the hotel paying the transaction charge. However, the hotel paying the transaction charge may, at its discretion, pass the transaction charge on to customers. The amount of transaction charge, if passed on to each customer, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each customer shall receive a receipt for payment from the hotel. If the CTID transaction charge is identified separately it shall be disclosed as the "CTID Transaction Charge."

C. Rollover Funds

Any and all unused transaction charge funds collected during a year may be rolled over to the subsequent year to be used for programs detailed in Section III. Pursuant to 70 ILCS 3455/55, if the CTID's term expires, any funds remaining from transaction charges shall be used in accordance with this Plan. Pursuant to 70 ILCS 3455/60, in the event of termination of the CTID, any funds remaining shall be used by CC in accordance with this Plan.

D. Collection, Interest and Overdue Charges

The City will be responsible for collecting and remitting the transaction charge (including any delinquencies, overdue charges, and interest) on a monthly basis from each hotel located within the CTID. The City shall take all reasonable efforts to collect the transaction charges from each hotel paying the transaction charge. The City shall forward the transaction charges collected to CC. Charges for overdue charges and interest shall be outlined in the ordinance establishing the CTID.

For delinquent payments, a five percent (5%) overdue charge will be imposed, and interest will accrue at the rate of twelve percent (12%) per annum from the day following the due date of the payment until the date the payment is postmarked or made online.

V. GOVERNANCE

A. Local Tourism and Convention Bureau

The TID Act requires a local tourism and convention bureau to administer a district. Pursuant to the requirements of the TID Act, CC shall serve as the local tourism and convention bureau for the CTID. CC is a nonprofit corporation and shall create a committee composed of the business owners subject to the transaction charge, or their designees, pursuant to 70 ILCS 3455/30(b)(2). The committee shall be responsible for managing funds raised by the CTID and fulfilling the obligations of this Plan. The initial committee will be composed of the steering committee and will propose the initial slate of committee members and governing rules to the Choose Chicago Board of Directors. The committee shall be composed of at least nine (9) and no more than eleven (11) hotel owners. The committee must make all reasonable efforts to ensure equal representation from various hotel sizes and locations within the CTID.

B. Annual Report

Each year, CC shall submit to the City a report of the CTID's activities and expenditures pursuant to the provisions of 70 ILCS 3455/40. The report shall be submitted no later than thirty (30) days after the anniversary of the date upon which the transaction charge is first imposed. The report shall include:

1. A summary of the activities provided in the previous year through use of the transaction charges;
2. A summary of the expenditures for the previous year showing the use of the transaction charges;
3. The amount of any revenue from transaction charges to be carried over from prior years;
4. A list of the directors and officers of CC; and
5. A list of the accomplishments, improvements, and services attributable to the CTID.

The City shall also submit to the Department of Commerce and Economic Opportunity, no later than 60 days after the anniversary of the date upon which the transaction charge is first imposed, the annual report provided by CC and a report of the amount of total revenue received from the transaction charges and how much the City, if any, withheld for administrative costs related to the district under this Plan.

VI. EXISTING SERVICES

Pursuant to 70 ILCS 3455/35, the funds for services and improvements that are provided to CC for purposes of the TID Act shall be considered supplemental funding and services and shall not supplant existing funding or services provided by the State of Illinois or any unit of local government.

APPENDIX 1 – LAW

70 ILCS 3455/1

Statutes current with legislation through P.A. 103-585 of the 2024 Regular Session of the 103rd General Assembly.

Illinois Compiled Statutes Annotated > Chapter 70 SPECIAL DISTRICTS (§§ 5/0.01 — 3720/5) > TOURISM (§§ 3455/1 — 3455/99) > Tourism Preservation and Sustainability District Act (§§ 3455/1 — 3455/99)

70 ILCS 3455/1 Short title.

This Act may be cited as the Tourism Preservation and Sustainability District Act.

History

2022 P.A. 102-1127, § 1, effective February 10, 2023.

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70 ILCS 3455/5

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70 ILCS 3455/5 Definitions.

As used in this Act:

“Benefit zone” means a zone (i) located within a district, (ii) established by the governing body of the district based upon the degree of benefit derived from the services to be provided within the zone, and (iii) in which the governing body may impose unique transaction charges based on the degree of benefit intended to be provided.

“Business owner” means a hotel owner or the hotel owner’s representative.

“Clerk” means the clerk of a governing body or, if the governing body has no clerk, the individual designated as the clerk by the governing body.

“District” means a tourism preservation and sustainability district created under this Act.

“Governing body” means the legislative body of a governmental unit that establishes a district by resolution of intent and ordinance under this Act.

“Governmental unit” means a municipality, county, or township located in whole or part within the district.

“Hotel” means any building or buildings in which the public may, for consideration, obtain living quarters or sleeping or housekeeping accommodations that will benefit from a district’s services or improvements. “Hotel” includes, but is not limited to, inns, motels, tourist homes or courts, lodging houses, rooming houses, retreat centers, conference centers, and hunting lodges. “Hotel” does not include a short-term rental.

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property that has an estimated useful life of 5 years or more and that is reasonably related to the enhancement of tourism.

“Local tourism and convention bureau” means either a unit of local government or a nonprofit corporation (i) that has as its sole purpose the promotion of tourism; (ii) that is operating with a paid, full-time staff; (iii) that receives local hotel or motel tax receipts from one or more municipalities or counties; (iv) that represents one or more

municipalities or counties; and (v) that either is recognized by the Department of Commerce and Economic Opportunity as a certified local tourism and convention bureau or has been in legal existence as a nonprofit corporation for a minimum of two years before contracting with a governmental unit to implement services and improvements in a district.

“Services” means marketing, promotions, sales efforts, events, and other activities that are reasonably related to the enhancement of tourism.

“Short-term rental” means a single-family dwelling or a residential dwelling unit in a multi-unit apartment structure, condominium, cooperative, timeshare, or similar joint property ownership arrangement that is rented for a fee for less than 30 consecutive days. “Short-term rental” includes a dwelling unit rented for business travel or recreation.

“Tourism” means travel by either State residents or out-of-state visitors traveling away from home overnight in paid accommodations or on day trips to places away from the resident’s or visitor’s home.

“Transaction charge” means a special charge that is imposed upon a hotel in a district that is either a fixed dollar or percentage rate per hotel room per night.

History

2022 P.A. 102-1127, § 5, effective February 10, 2023.

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70 ILCS 3455/10

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70 ILCS 3455/10 Petition and resolution of intent to create a district.

(a) To initiate the process of creating a district, business owners must file a written petition with the clerk of a governmental unit in which the proposed district lies. The petition must include a summary of the district plan, which shall include all of the following:

- (1) the name of the district;
- (2) a map showing the boundaries of the district, which need not be contiguous but shall not encompass more than 6 counties;
- (3) the initial and maximum rates of the transaction charge for hotels within the boundaries of the district;
- (4) the length of the proposed term of the district, not to exceed 5 years upon formation or 10 additional years upon each renewal;
- (5) a brief description of the services and improvements proposed to be provided by the local tourism and convention bureau;
- (6) information specifying where the complete district plan can be obtained by the governing body; and
- (7) information specifying that the complete district plan shall be furnished to the governing body upon request.

The business owners that file the petition under subsection (a) must certify on the petition that they believe they will pay more than 50% of the transaction charges proposed to be levied by the district, as determined by the last 12 months of State hotel operators' occupation taxes paid preceding the date of the petition, for the proposed district.

Petitions may be filed with a county clerk only if more than 50% of the land within the county is included in the district.

(b) Within 60 days after the filing of the written petition under subsection (a), the governing body may adopt a resolution that expresses the intention to create the district proposed in the written petition. The resolution of intent shall include the following information:

- (1) the name of the district;
- (2) a description of the boundaries of the district, which need not be contiguous but shall not encompass more than 6 counties;
- (3) the initial and maximum rates of the transaction charge for hotels within the boundaries of the district;
- (4) the length of the proposed term of the district, not to exceed 5 years upon formation or up to 10 additional years upon each renewal;
- (5) a brief description of the services and improvements proposed to be provided by the district;
- (6) the time and place of a public hearing on the formation of the proposed district; and
- (7) a statement that any hotel proposed to be subject to a transaction charge has the opportunity to be heard at the public hearing regarding the district formation and an opportunity to file objections to the district formation with the clerk at any time prior to the conclusion of the public hearing.

History

2022 P.A. 102-1127, § 10, effective February 10, 2023.

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70 ILCS 3455/15

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70 ILCS 3455/15 District plan.

A district plan shall be prepared by the business owners who submitted the petition under Section 10 [70 ILCS 3455/10] before the public hearing on the proposed district. The district plan shall include or identify the following:

- (1) the estimated annual budget of the district, which may include specific allocations to expedite the recovery of the tourism industry;
- (2) the initial and maximum rates of the transaction charge for each business that will be subject to the transaction charge, in sufficient detail for each of those business owners to estimate the amount of transaction charges for which each hotel would be responsible;
- (3) the method for calculating the transaction charge;
- (4) a statement that, after the first imposition of a transaction charge within the district, the transaction charge may continue to be imposed until the end of the district's term without the requirement of an additional public hearing if the transaction charge rate does not exceed the rate specified in the district plan;
- (5) the frequency and manner that the governmental unit shall collect the transaction charges;
- (6) the frequency and manner that the governmental unit shall remit the transaction charges to the local tourism and convention bureau;
- (7) the name of the district;
- (8) the manner by which a business owner may contest the calculation of the transaction charge;
- (9) the amount or rate of penalties and interest applicable to delinquent payments, if any, and the method of collection of penalties and interest;
- (10) a description of the proposed services and improvements to be provided;
- (11) a map that depicts the district's proposed boundaries but need not depict every hotel;

70 ILCS 3455/15 District plan.

- (12)** a map showing the district's benefit zones, if any;
- (13)** a statement that a hotel may pass a transaction charge onto customers and the specific title to be used when the transaction charge is passed on to the customer;
- (14)** the name and general structure of the local tourism and convention bureau proposed to receive and use the revenues of the transaction charges for the proposed services and improvements; and
- (15)** the term of the district, which shall not exceed 5 years upon formation or 10 additional years upon each renewal.

History

2022 P.A. 102-1127, § 15, effective February 10, 2023.

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70 ILCS 3455/20

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70 ILCS 3455/20 Territory of other governmental units in a district.

(a) Except as provided in subsection (b), if the proposed district's boundaries include territory of a governmental unit other than the governmental unit in which the petition was filed under Section 10 [70 ILCS 3455/10], the governmental unit in which the petition was filed must enter into an intergovernmental agreement with the other governmental unit authorizing, on mutually agreed terms, the governmental unit in which the petition was filed to form or renew the district and to perform any action authorized under this Act.

(b) If a petition under Section 10 is filed with the clerk of a municipality and the proposed district boundaries do not extend beyond the boundaries of the municipality, the municipality may form or renew the district without an intergovernmental agreement with a county or township that has territory within the municipality.

If a petition under Section 10 is filed with the clerk of a township and the proposed district boundaries do not extend beyond the boundaries of the township, the township may form or renew the district without an intergovernmental agreement with the county in which the township lies, but the township must enter into an intergovernmental agreement with any municipality that has territory within the township.

If a petition under Section 10 is filed with the clerk of a county and the proposed district boundaries are solely within the county, the county may form or renew the district without an intergovernmental agreement with any municipalities or townships with territory within the county. If a petition under Section 10 is filed with the clerk of a county and the proposed district boundaries includes portions of another county, the county in which the petition was filed must only enter into an intergovernmental agreement with the county or counties in which the other territory is situated in order to form or renew a district.

History

2022 P.A. 102-1127, § 20, effective February 10, 2023.

70 ILCS 3455/20 Territory of other governmental units in a district.

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70 ILCS 3455/25

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70 ILCS 3455/25 Public hearing.

(a) The governing body shall hold a public hearing on the proposed district at the day and time indicated in the resolution of intent. The governing body shall give notice of the public hearing by United States mail to each governmental unit within the district and each business owner that may be subjected to a transaction charge, based on the governmental unit's most recent records. The notice shall include the resolution of intent and the name, address, email address, and phone number of the clerk of the governing body, and it shall be mailed not less than 30 days before the public hearing.

(b) At the hearing, the governing body shall consider public testimony regarding the proposed district. Any business owner that may be subjected to a transaction charge may submit a written objection to the formation of the district to the clerk at any time before voting has begun on the formation ordinance. If written objections are received from hotels that would pay 50% or more of the proposed transaction charges in the proposed district, as determined by the last 12 months of State hotel operators' occupation taxes paid preceding the date of the petition, the hearing shall end and no further proceedings to form a district may be undertaken by the governmental unit for a period of one year from the date of the hearing.

The hearing may be adjourned to another date without further notice, other than a motion to be entered upon the minutes fixing the time and place the governing body will reconvene.

(c) At the public hearing, the governing body may remove territory or hotels from the district that will not benefit from the district's services or improvements, reduce a transaction charge rate, or make administrative clarifications to the district plan.

(d) If, at the conclusion of the public hearing, the clerk determines that the written objections submitted under subsection (b) do not represent hotels that would pay 50% or more of the proposed transaction charges, as determined by the last 12 months of State hotel operators' occupation taxes paid preceding the date of the petition, then the governing body may adopt an ordinance forming the district under Section 30 [70 ILCS 3455/30].

History

2022 P.A. 102-1127, § 25, effective February 10, 2023.

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70 ILCS 3455/30

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70 ILCS 3455/30 Formation ordinance; management of funds.

(a) The formation ordinance shall contain:

- (1) the date the district is established;
- (2) a reference to the district plan, which shall be on file and available for inspection with the clerk;
- (3) a statement that the clerk determined that the total amount of written objections received from hotels that will be subjected to a transaction charge did not represent hotels that would pay 50% or more of the proposed transaction charges, as determined by the last 12 months of State hotel operators' occupation taxes paid preceding the date of the petition;
- (4) the name of the district;
- (5) the effective date of the transaction charge;
- (6) the term of the district, not to exceed 5 years upon formation or up to 10 additional years upon each renewal;
- (7) a description of the boundaries of the district, which need not be contiguous but shall not encompass more than 6 counties;
- (8) the name of the local tourism and convention bureau and authorization for the governmental unit to remit the collected transaction charges to the local tourism and convention bureau in exchange for the local tourism and convention bureau providing services and improvements; and
- (9) the amount, if any, that the governmental unit will retain of the total amount of transaction charges collected to defray (in whole or in part) the governmental unit's administrative costs related to the district, in an amount not more than 2% of the collected transaction charges.

(b) Before a tourism and convention bureau may receive transaction charges under this Act, the tourism and convention bureau must be organized as follows:

- (1) for a local tourism and convention bureau that is a unit of local government that does not have a nonprofit corporation existing on the date the formation ordinance is

adopted, the local tourism and convention bureau must create a nonprofit corporation solely for purposes of this Act and that corporation's certificate of incorporation or bylaws must provide that the Board of Directors of the nonprofit corporation must be composed of the business owners subject to the transaction charge, or their designees, and the Board of Directors shall be responsible for managing funds raised by the district for the local tourism and convention bureau, which shall fulfill the obligations of the district plan; or

(2) for a local tourism and convention bureau that is a nonprofit corporation, the local tourism and convention bureau must create a committee composed of the business owners subject to the transaction charge, or their designees, and the committee shall be responsible for managing funds raised by the district and fulfilling the obligations of the district plan.

History

2022 P.A. 102-1127, § 30, effective February 10, 2023.

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70 ILCS 3455/31

Statutes current with legislation through P.A. 103-585 of the 2024 Regular Session of the 103rd General Assembly.

Illinois Compiled Statutes Annotated > Chapter 70 SPECIAL DISTRICTS (§§ 5/0.01 — 3720/5) > TOURISM (§§ 3455/1 — 3455/99) > Tourism Preservation and Sustainability District Act (§§ 3455/1 — 3455/99)

70 ILCS 3455/31 Sangamon County; Bank of Springfield Center.

Notwithstanding any other provision of this Act, a petition, resolution of intent, district plan, and ordinance to create a tourism preservation and sustainability district may include an initial term of up to 20 years if the ordinance is adopted on or after July 1, 2023 and on or before December 31, 2023 by the Sangamon County Board for improvements to the Bank of Springfield Center.

History

2023 P.A. 103-315, § 10, effective July 28, 2023.

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70 ILCS 3455/35

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70 ILCS 3455/35 Baseline funding and services.

The funds for services and improvements that are provided to a local tourism and convention bureau for purposes of this Act shall be considered supplemental funding and services and shall not supplant existing funding or services provided by the State or any unit of local government.

History

2022 P.A. 102-1127, § 35, effective February 10, 2023.

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70 ILCS 3455/40

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70 ILCS 3455/40 Annual report.

(a) Each year, a local tourism and convention bureau that receives transaction charges shall submit to the governing body a report of the bureau's activities and expenditures. The report shall be submitted no later than 30 days after the anniversary of the date upon which the transaction charge is first imposed. The report shall include:

- (1) a summary of the activities provided in the previous year through use of the transaction charges;
- (2) a summary of the expenditures for the previous year showing the use of the transaction charges;
- (3) the amount of any revenue from transaction charges to be carried over from prior years;
- (4) a list of the directors and officers of the local tourism and convention bureau; and
- (5) a list of the accomplishments, improvements, and services attributable to the district.

(b) The governing body shall also submit to the Department of Commerce and Economic Opportunity, no later than 60 days after the anniversary of the date upon which the transaction charge is first imposed, the annual report provided by the local tourism and convention bureau and a report of the amount of total revenue received from the transaction charges and how much the governmental unit, if any, withheld for administrative costs related to the district under the district plan.

History

2022 P.A. 102-1127, § 40, effective February 10, 2023.

End of Document

70 ILCS 3455/45

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70 ILCS 3455/45 Modification.

(a) Upon a written request from business owners whose hotels pay the majority of the transaction charges proposed to be levied by a district, as determined by the last 12 months of State and local taxes paid from the date of the written request, the governing body of the district shall, after providing notice, hold a public hearing as provided in Section 25 for modifications to the district for any one or more of the following purposes:

- (1) to increase, in any year other than the initial year, the rate of a transaction charge to an amount exceeding the maximum rate described in the district plan;
- (2) to change the boundaries of the district; or
- (3) for any other purpose that is agreed to by the governing body.

(b) Any modification shall be reflected in an updated district plan to be on file and available for inspection with the clerk.

(c) If the governmental unit is a county, the county may not modify the district boundaries to include less than 50% of the land within the county.

History

2022 P.A. 102-1127, § 45, effective February 10, 2023.

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70 ILCS 3455/50

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70 ILCS 3455/50 Transaction charges; collection and remittance.

Transaction charges paid by a hotel shall be collected by the governmental unit that passed the ordinance creating the district. The collected transaction charges shall be remitted on a prompt basis by the governmental unit that passed the ordinance creating the district to the local tourism and convention bureau in accordance with the district plan and the formation ordinance. During any period that the governmental unit that passed the ordinance creating the district may hold the collected transaction charges, the governmental unit shall at all times maintain the collected transaction charges in a specially designated fund segregated from all other funds.

Collected transaction charges held by the governmental unit that passed the ordinance creating the district may not be commingled with other funds of the governmental unit or units.

A transaction charge may not exceed 5% of the hotel room rate per occupied hotel room per night and may not be imposed upon any customer transactions at restaurants or for food, drinks, or merchandise. In addition, a transaction charge may not be charged for the rental of hotel rooms to a permanent occupant of a hotel. As used in this paragraph, "permanent occupant" means a person or company that occupies or has the right to occupy a hotel room for at least 30 consecutive days.

History

2022 P.A. 102-1127, § 50, effective February 10, 2023.

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70 ILCS 3455/55

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70 ILCS 3455/55 Renewal.

Before a district's term expires, the district may be renewed by following the petition process outlined in Section 10 [70 ILCS 3455/10], creating a new district plan under Section 15, and adopting a new formation ordinance following the procedures detailed in Sections 25, 30, and 35 [70 ILCS 3455/25, 70 ILCS 3455/30 and 70 ILCS 3455/35] on or before the date the district's term expires. The governmental unit that passed the ordinance creating the district must enter into, amend, or extend all intergovernmental agreements, if applicable, as required by Section 20 [70 ILCS 3455/20] before renewing a district.

If the district's term expires, any funds remaining from transaction charges shall be used in accordance with the district plan or refunded to the hotels in equal proportion to the amount of transaction charges paid by each hotel.

History

2022 P.A. 102-1127, § 55, effective February 10, 2023.

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70 ILCS 3455/60

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70 ILCS 3455/60 Termination.

(a) The governing body of a district may initiate termination of the district by either of the following methods:

(1) The governing body may hold a public hearing to determine if there has been a violation of law, malfeasance, or misappropriation of funds.

(2) If written objections are filed with the clerk from the business owners that, in the most recently completed fiscal year, paid 50% or more of the transaction charges or if, in the case of a district that has not completed a fiscal year, written objections are received from business owners that paid 50% or more of the transaction charges following the initial imposition of the transaction charges would be expected to pay, as determined by the last 12 months of State hotel operators' occupation taxes paid, then the governing body may hold a public hearing within 45 days after the anniversary of the district's formation to discuss the written objections. A written objection under this paragraph must be signed by the business owner and dated within 30 days before submission to the clerk and must contain a statement as to why the district should be terminated. Written objections under this paragraph may be submitted only during the 30 days before the anniversary of the district's formation.

(b) After holding a hearing under paragraph (1) of subsection (a) at which the governing body finds that there has been a violation of law, malfeasance, or misappropriation of funds, the governing body shall: (i) notify the local tourism and convention bureau to remedy the violation within 30 days; or (ii) either in the public meeting held under paragraph (1) of subsection (a) or a separate public meeting, approve a plan for the local tourism and convention bureau to remedy violations. If the local tourism and convention bureau does not remedy the violations within 30 days after notification or the violations are not remedied according to the governing body's plan to remedy the violation, the governing body may terminate the district by ordinance or resolution.

In a hearing under paragraph (2) of subsection (a), the governing body shall determine if the reasons for termination in the written objections justify termination of the district and, if the governing body finds that the reasons do justify termination, may terminate the district by ordinance or resolution.

(c) A public hearing held under this Section shall be held only after notice has been given to the business owners and the local tourism and convention bureau not less than 30 days before the hearing.

(d) Upon termination, any funds remaining shall be used by the local tourism and convention bureau in accordance with the district plan or refunded to the hotels in equal proportion to the amount of transaction charges paid by each hotel, as required by the governing body in the ordinance or resolution terminating the district.

History

2022 P.A. 102-1127, § 60, effective February 10, 2023.

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70 ILCS 3455/65

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70 ILCS 3455/65 Contesting validity.

The validity of a district created, district plan established, or transaction charge imposed under this Act may not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the formation ordinance is adopted or, with respect to modifications to a district plan, within 30 days after a district plan has been modified. If a party appeals a final judgment, the party filing the appeal shall request discretionary acceleration under Supreme Court Rule 311(b).

History

2022 P.A. 102-1127, § 65, effective February 10, 2023.

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70 ILCS 3455/70

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70 ILCS 3455/70 No limitation on home rule.

The powers granted to a governmental unit in this Act are not a limitation on the powers of a home rule unit granted by Article VII of the Illinois Constitution.

History

2022 P.A. 102-1127, § 70, effective February 10, 2023.

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70 ILCS 3455/75

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70 ILCS 3455/75 Special service areas and business improvement districts.

Nothing in this Act prevents a tourism preservation and sustainability district from sharing area with a special service area or a business improvement district.

History

2022 P.A. 102-1127, § 75, effective February 10, 2023.

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70 ILCS 3455/80

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70 ILCS 3455/80 Hotel operator's occupation tax information.

Upon request of a governmental unit for information relating to the amount of State hotel operators' occupation taxes paid by hotels within a proposed or existing tourism preservation and sustainability district, the Department of Revenue shall provide information or documents to the governmental unit so that the governmental unit may determine State hotel operators' occupation taxes paid as needed under this Act. The Department shall make available to the governmental unit information contained on transaction reporting returns required to be filed under Section 6 of the Hotel Operators' Occupation Tax Act [35 ILCS 145/6] that report the amount of rental receipts received within the proposed or existing tourism preservation and sustainability district. The disclosure shall be made pursuant to a written agreement between the Department and the governmental unit, which is an official purpose within the meaning of Section 11 of the Retailers' Occupation Tax Act [35 ILCS 120/11]. The written agreement between the Department and the governmental unit shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. Information so provided shall be subject to all confidentiality provisions of Section 11 of the Retailers' Occupation Tax Act [35 ILCS 120/11].

History

2022 P.A. 102-1127, § 80, effective February 10, 2023.

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70 ILCS 3455/99

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70 ILCS 3455/99 Effective date.

This Act takes effect upon becoming law.

History

2022 P.A. 102-1127, § 99, effective February 10, 2023.

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