

**ORDINANCE NO. 17,797**

**AN ORDINANCE AMENDING CHAPTER 27 OF THE CODE OF THE CITY OF PEORIA  
PERTAINING TO HOTEL OR MOTEL RENTAL USE OR PRIVILEGE TAX**

**WHEREAS**, the City of Peoria is a home rule unit of government pursuant to Article VII, Section 6 of the Constitution of the State of Illinois 1970, and may exercise any power and perform any function pertaining to its government and affairs; and,

**WHEREAS**, the City of Peoria wishes to assist in the development of private property while maintaining safety for all persons in Peoria;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS, as follows:**

**ARTICLE VII.** Chapter 27 of the Code of the City of Peoria is hereby amended by deleting the following stricken words and by adding the following underlined words:

**ARTICLE VII. - HOTEL OR MOTEL ROOM RENTAL USE OR PRIVILEGE TAX**

**Sec. 27-146. - Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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

*Hotel room or motel room* means a room within a structure kept, used or maintained as or advertised or held out to the public to be in an inn, motel, hotel, apartment-hotel, lodging house, dormitory or place where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, with or without meals. One room offered for rental, with or without an adjoining bath, shall be considered as a single hotel or motel room. The number of hotel or motel rooms within a suite shall be computed on the basis of those rooms utilized for the purpose of sleeping.

*Owner* means any person having a sufficient proprietary interest in conducting the operation of a hotel or motel room or receiving the consideration for the rental of such hotel or motel room so as to entitle such person to all or a portion of the net receipts thereof.

*Person* means any natural person, trustee, court-appointed representative, syndicate, association, partnership, firm, club, company, corporation, business trust, institution, agent, governmental corporation, municipal corporation, district or other political subdivision, contractor, supplier, vendor, vendee, operator, user or owner, or any officers, agents, employees or other representative acting either for himself or for any other person in any capacity, or any other entity recognized by law as the subject of rights and duties.

*Short Term Rental (STR)* means all or part of a dwelling or dwelling unit as defined in the Unified Development Code that is rented for compensation to transient guest(s) for a period less than thirty (30) consecutive days.

(Ord. No. 9895, § 1, 8-31-76; Ord. No. 10267, § 1, 6-13-78; Ord. No. 11952, § 1, 5-16-89)

**Cross reference**— Definitions and rules of construction generally, § 1-2.

Sec. 27-147. - Tax.

- (a) There is hereby levied and imposed upon the use and privilege of renting a hotel or motel room, or short term rental unit within the city a tax of seven percent of the rental or leasing charge for each such hotel and motel room or short term rental unit rented for each 24-hour period or any portion thereof; provided, however, that the tax shall not be levied and imposed upon any person to rent a hotel or motel room or short term rental unit for use by the same natural person or persons for more than 30 consecutive days or to a person who is an employee of the same hotel or motel or short term rental unit; the tax imposed herein is applicable to the first 30 days of a hotel or motel room or short term rental unit rental which extends beyond 30 days.
- (a.1) In addition to the above, and for all other purposes of this article, there is hereby levied and imposed a one percent tax to be credited to a tourism and event development fund.
- (a.2) Short Term Rental units shall be subject to all applicable taxes in this section beginning on January 1, 2021.
- (b) The ultimate incident of and liability for payment of such tax shall be borne by the person who seeks the privilege of occupying any such hotel or motel room or short-term rental unit, such person hereinafter referred to as "renter."
- (c) 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, manager or operator of every hotel or motel or short-term rental unit to act as trustee for and on account of the city, and to secure such tax from the renter of the hotel or motel room or short-term rental unit and pay over to the city comptroller such tax under procedures prescribed by the city comptroller or as otherwise provided in this article.
- (d) Every person required to collect the tax levied by this article shall secure such tax from the renter at the time he collects the rental payment for the hotel or motel room. Upon the invoice receipt or other statement or memorandum, if the rent is given to the renter at the time of payment, the amount due under the tax provided in this article shall be stated separately on such documents.

(Ord. No. 9895, § 1, 8-31-76; Ord. No. 11825, § 1, 8-16-88; Ord. No. 13433, § 1, 7-21-93; Ord. No. 13605, § 1, 7-27-93; Ord. No. 13606, § 1, 7-27-93; Ord. No. 13638, § 1, 9-28-93; Ord. No. 15251, § 1, 1-8-02; Ord. No. 16257, § 1, 3-25-08; Ord. No. 17311, § 1, 12-8-15)

**Editor's note**— It should be noted that Ord. No. 16259, § 1, adopted April 8, 2008, amended Ord. No. 16257, § 2, to read, "Section 2. This ordinance shall be in full force and effect on May 1, 2008 after publication according to law."

Sec. 27-148. - Rules and regulations.

The city comptroller may promulgate rules and regulations not inconsistent with the provisions of this article concerning enforcement and application of this article. The term "rules and regulations" includes, but is not limited to, case-by-case determination of whether or not the tax imposed by this article applies.

(Ord. No. 9940, § 1, 11-2-76)

Sec. 27-149. - License required.

- (a) It shall be unlawful for any person to establish, operate or maintain, or permit to be established, operated or maintained, upon any property owned or controlled by him a hotel or motel or short-term rental unit within the city without having first obtained a license therefor from the city comptroller or without complying with all provisions of this article.
- (b) No license shall be issued or annually renewed for a hotel or motel or short-term rental unit delinquent in payment of the use and privilege tax or the payment of any fines and/or penalties assessed for the nonpayment or late payment thereof.
- (c) The annual fee for such license for a hotel or motel or short term rental unit shall be \$75.00, effective on January 1, 2021. The license shall be valid for one year, from January 1 through December 31. The fee shall be waived for properties that have paid the non-owner-occupied fee in the same calendar year.
- (d) Short term rental units registered in 2020 shall pay a \$25 registration fee. Short term rental licenses issued in 2020 shall expire on December 31, 2020.
- (e) Conflict with Recorded Private Restrictions.
  - (i) Upon receipt of an application for a short-term rental use the City shall provide notice to the registered neighborhood association, homeowners association, etc. that encompasses the address of the proposed short-term rental unit. It shall be the responsibility of each association to provide updated contact information to the City.
  - (ii) The association shall have ten (10) days after notice is provided to provide a copy of a recorded restrictive covenant that expressly prohibits short-term rental uses. If the appropriate documentation is provided, the City shall not issue a short-term rental license. The restrictive covenant must be recorded prior to the application for the short-term rental unit.
  - (iii) If no response is provided within ten (10) days or the response does not include a recorded restrictive covenant that expressly prohibits short-term rental uses, the City shall proceed with the processing of the license. Documentation provided after the ten (10) day period shall not be used to prohibit the use or license.
  - (iv) Short-term rental units that have been legally established prior the recording of restrictive covenants shall be permitted to renew their annual registration as a non-conforming use. Failure to register shall void the non-conformity.

(Ord. No. 11952, § 2, 5-16-89; Ord. No. 16519, § 1, 1-12-10; Ord. No. 16568, § 1, 5-25-10)

Sec. 27-150. - Books and records.

The city comptroller, or any person certified as his deputy or representative, may enter the premises of any hotel or motel or short-term rental unit for inspection and examination of books and records in order to effectuate the proper administration of this article and to assure the enforcement of the collection of the tax imposed. It shall be unlawful for any person to prevent, hinder, or interfere with the city comptroller or his duly authorized deputy or representative in the discharge of his duties and the performance of this article. It shall be the duty of every owner to keep accurate and complete books and

records to which the city comptroller or his deputy or authorized representative shall at all times have access, which records shall include a daily sheet showing:

- (1) The number of hotel or motel rooms or short-term rental units rented during the 24-hour period, including multiple rentals of the same hotel rooms or units where such shall occur; and
- (2) The actual hotel or motel or short-term rental unit tax receipts collected for the date in question.

(Ord. No. 9895, § 1, 8-31-76)

Sec. 27-151. - Transmittal of tax revenue.

- (a) The owner of each hotel or motel room within the city shall file tax returns showing tax receipts received with respect to each hotel and motel room during each monthly period commencing on October 1, 1976, and continuing on the first day of every month thereafter on forms prescribed by the city comptroller. The return shall be due on or before the 30th day of the calendar month succeeding the end of the monthly filing period. Such owner shall file an application with the city finance department for a city taxpayer identification number prior to filing the first tax return.
- (b) The first taxing period for the purpose of this article shall commence on October 1, 1976; and the tax return and payment for such period shall be due on or before November 30, 1976. Thereafter, reporting periods and tax payments shall be in accordance with the provisions of this article. At the time of filing such tax returns, the owner shall pay to the city comptroller all taxes due for the period to which the tax return applies.
  - (b.1) The owner of each short term rental room within the city shall file tax returns showing tax receipts received with respect to each short term rental room annually, commencing with the 2022 licensing, and continuing annually thereafter on forms prescribed by the city comptroller. The return shall be due with the annual application form. Such owner shall file an application with the city finance department for a city taxpayer identification number prior to filing the first tax return.
- (c) In case any person who is required under this article to file a tax return to the city fails to file a return when and as required under this article, such person shall pay to the city, in addition to the amount of tax required to be transmitted, a penalty of three percent of the tax that such person is required to transmit to the city; provided, however, a 20-percent penalty shall be imposed for any fraudulent failure to transmit such tax.
  - (1) In case any person who is required under this article to file a tax return to the city files a return at the time required but fails to transmit the tax proceeds, or any portion thereof, to the city when due, a penalty of three percent of the amount of tax not transmitted to the city shall be added thereto each month, or fraction thereof, until fully transmitted; provided, however, the fraudulent failure to pay such tax shall result in a 20-percent penalty.
- (d) Any officer or employee of any corporation which is an owner subject to the provisions of this article who has control, supervision or responsibility of collecting tax proceeds, filing returns and transmitting collected tax proceeds of the tax herein imposed by this article and who willfully fails to file such return or to transmit any tax proceeds so collected to the city shall be personally liable for any such amounts collected, including interest and penalties thereon, if after proper proceedings for the collection of such amount, such corporation is unable to pay such amounts to the city; and the personal liability of such officer or employee, as provided in this article, shall survive dissolution of the corporation. For purposes of this subsection, a person willfully fails to act if he takes any conscious and voluntary action intending not to perform any of his obligations hereunder, including, but not limited to, the utilizing of tax proceeds collected for the city to pay any other corporate obligations.

- (e) The person filing such return shall attach thereto a copy of its Illinois Retailer's Sales and Use Tax or Hotel Operator's Tax returns for the month for which a return is made under this article.

(Ord. No. 9895, § 1, 8-31-76; Ord. No. 9940, § 1, 11-2-76; Ord. No. 11389, § 1, 6-18-85; Ord. No. 11513, § 1, 5-13-86; Ord. No. 11645, § 1, 5-26-87; [Ord. No. 17669](#), § 1, 3-26-19)

Sec. 27-152. - Collection.

Whenever any person shall fail to pay any tax as provided in this article, the corporation counsel shall, upon the request of the city comptroller, bring or cause to be brought an action to enforce the payment of such tax on behalf of the city in any court of competent jurisdiction.

(Ord. No. 9898, § 1, 8-31-76)

Sec. 27-153. - Proceeds of tax and fines.

All proceeds resulting from the imposition of the tax under this article, including penalties, shall be paid into the city treasury and shall be credited to and deposited in the corporate fund of the city. Nine percent of said tax proceeds shall be credited to the tourism and event development fund.

(Ord. No. 9895, § 1, 8-31-76; Ord. No. 13433, § 1, 7-21-92; Ord. No. 13605, § 1, 7-27-93; Ord. No. 13606, § 1, 7-27-93; Ord. No. 13638, § 1, 9-28-93)

Sec. 27-154. - Suspension of licenses.

If the mayor, after hearing held by or for him, shall find that any person has willfully avoided payment of the tax imposed by this article, or any fines and/or penalties assessed for the nonpayment or late payment of such tax, he may suspend or revoke all city licenses held by such tax evader. The owner, manager or operator of the hotel or motel or short-term rental unit shall have an opportunity to be heard at such hearing to be held not less than five days after notice of the time and place of the hearing to be held, addressed to him at his last known place of business.

The license may also be revoked and/or suspended if at least four (4) valid complaints are received regarding any one property within a six-month timeframe. The six-month timeframe begins the date of the complaint's filing and closes six calendar months thereafter. That a given month may have more or less than thirty days within that timeframe has no bearing on the timeframe.

Any complaint received must be deemed valid by the appropriate City department. Invalid complaints shall not count against the license revocation cap. If ameliorated within the allowable timeframe as identified by the Code Enforcement Officer, Code complaints, such as tall grass violations, will not be counted against this cap.

In the event that the hotel/motel license of a given property is revoked/suspended, after the expiry of a full calendar year, a new license may be applied for at a given property. That a calendar year may have more than 365 days has no bearing on the timeframe in which a new hotel/motel license may be applied. Depending on when the four violation cap is met, an applicant may have to wait more than a calendar year to apply for a license, as the license due date is January 1.

(Ord. No. 9895, § 1, 8-31-76; Ord. No. 11952, § 3, 5-16-89)

Sec. 27-155. - Penalties.

- (a) Any person found guilty of violating, disobeying, omitting, neglecting or refusing to comply with, or resisting or opposing the enforcement of any of the provisions of this article, except when otherwise specifically provided, upon conviction thereof, shall be punished by a fine of not less than \$200.00 nor more than \$300.00 for the first offense and not less than \$300.00 nor more than as provided in section 1-5 of this Code for the second and each subsequent offense in any 180-day period.
- (b) Repeated offenses in excess of three within any 180-day period may also be punishable as a misdemeanor by incarceration in the county jail for a term not to exceed six months. A separate and distinct offense shall be regarded as committed each day upon which such person shall continue any such violation or permit any such violation to exist after notification thereof.

(Ord. No. 9895, § 1, 8-31-76)

Sec. 27-156. - Purpose of penalties.

The purpose of imposing the penalties provided for the violation of this article is to ensure the integrity of the collection process established pursuant to this article.

(Ord. No. 9895, § 1, 8-31-76)

Sec. 27-157. - Content of the license application.

- (a) An applicant for a hotel license as required under section 27-149 shall submit to the city comptroller, an application in writing under oath, stating:
  - (1) The name, age and address of the applicant in the case of an individual; in the case of a corporation, the date of incorporation and the name, age and address of its president and secretary; in the case of a partnership, corporation for profit or club, the date of incorporation and the names, addresses and ages of the officers, directors, managers and any stockholders owning or controlling the voting rights to more than five percent of the stock of such corporation.
  - (2) That the applicant will not violate any ordinances of the city or laws of the state or of the United States in the conduct of his place of business.
  - (3) Short term rental unit operators shall complete a submit a property self-inspection form as provided by the City.
  - (4) Short term rental unit operators shall make available to all occupants an informational guide as provided by the City.
- (b) If such application is made in behalf of a partnership, firm, association, club or corporation, then the same shall be signed and sworn to by at least two members of such partnership or the president and secretary of such corporation or club.
- (c) The hotel license shall be displayed prominently in the hotel, motel, or short-term rental unit.

(Ord. No. 16519, § 1, 1-12-10; Ord. No. 16568, § 1, 5-25-10)

Sec. 27-158. - Reserved.

Sec. 27-159. - Furnishing false or misleading information or withholding information on application.

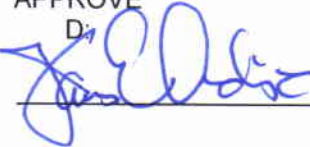
No person shall knowingly furnish false or misleading information or withhold any relevant information on any application for any license required by this article nor knowingly cause or suffer another to furnish or withhold such information on his behalf. No person shall knowingly furnish any false or misleading information to the mayor, the superintendent of police or any person authorized to act in their behalf in the investigation of any application for a license required by this chapter; nor shall any person willfully withhold any information that is relevant to any such investigation when called upon by the superintendent of police or a person acting in their behalf to furnish such information.

(Ord. No. 16519, § 1, 1-12-10; Ord. No. 16568, § 1, 5-25-10)

Secs. 27-160—27-175. - Reserved.

Section 2. This Ordinance shall be in full force immediately and upon passage and approval according to law.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS, THIS  
22ND DAY OF SEPTEMBER, 2020

APPROVE  
D.  
  
\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk

EXAMINED AND APPROVED:  
  
\_\_\_\_\_  
Corporation Counsel