



## **MEMORANDUM**

**TO:** Village Administrator Ergo  
**FROM:** Jessica Spencer, Administrative Services Manager  
**DATE:** April 15, 2020  
**SUBJECT:** Discussion and possible action regarding provision of a Hotel Tax credit

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### **Purpose**

To provide financial support to Hotel businesses impacted by the COVID-19 pandemic.

### **Discussion**

Staff has reached out to businesses in the Village that typically pay hotel taxes. On March 21, 2020 the Governor issued an Executive Order requiring gatherings of no more than 10 people along with a Stay-At-Home. This impacts the hotel industry significantly.

Hotel taxes are self-reported and paid quarterly. First quarter hotel taxes are due in April and cover taxes collected January-March. Most hotels were open and receiving guests until the middle to end of March, and all but one is closed at this time.

In order to provide hotel businesses in Itasca financial relief and an incentive to reopen once the Stay-At-Home order has lifted, staff is proposing that the Village Board approve a credit to eligible hotel tax payers equal to the total amount of Hotel Tax paid by that establishment in first quarter 2019. This credit will reduce taxes owed by eligible hoteliers.

To be eligible for this credit the hotel would need to stay open during or reopen as a hotel within 30 days following termination of Illinois' Stay-At-Home order.

### **Fiscal Impact**

The FY20 budget projected \$1,241,345.00 in hotel tax dollars. To date, hotel tax revenues are \$1,033,870.10. As a result, providing this credit could produce in a budget shortfall of \$207,474.90. The total credit amount would be \$215,439.97. The Village has sufficient balance in the hotel tax fund to fund this credit.

### **Staff Recommendation**

Staff recommends that the Board discuss a Hotel Tax Credit at the Village Board meeting on April 21, 2020.

## RESOLUTION NO. 1200-20

### A RESOLUTION AUTHORIZING A FIRST QUARTER HOTEL TAX CREDIT DUE TO THE COVID-19 OUTBREAK

WHEREAS, in late 2019, a new and significant outbreak of Coronavirus Disease 2019 (COVID-19) emerged in China, which the World Health Organization declared a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020; and

WHEREAS, on March 16, 2020, Governor Pritzker issued Executive Order No. 2020-05, which closed all bars and dine-in restaurants, and on March 20, 2020, issued Executive Order No. 2020-10, which closed all non-essential businesses and ordered residents to stay at home, and on April 1, 2020, Governor Pritzker extended Executive Orders Nos. 2020-05 and 2020-10 in Executive Order No. 2020-18, until April 30, 2020; and

WHEREAS, the Mayor of the Village of Itasca declared that the Village was in a State of Emergency pursuant to Ordinance 1936-20 and 65 ILCS 5/11-1-6 on March 18, 2020, which was affirmed, ratified, and extended by the Village Board of Trustees; and

WHEREAS, hotel and motel businesses in the Village are impacted by the gubernational executive orders, the Village of Itasca's State of Emergency and the COVID-19 outbreak; and

WHEREAS, the Village levies and imposes a tax on the renting, leasing or letting of rooms in motels and hotels ("Hotel Tax") pursuant to § 34.30 through § 34.39 of the Itasca Municipal Code, which is paid quarterly.

NOW, THEREFORE, BE IT RESOVLED by the President and Board of Trustees of the Village of Itasca, DuPage County, Illinois, as follows:

SECTION ONE: FIRST QUARTER HOTEL TAX CREDIT. The corporate authorities of the Village of Itasca hereby authorize the Village Administrator, or her designee, to provide a credit to any eligible hotel, equal to the total amount of Hotel Tax paid by that hotel for the first quarter of 2019.

SECTION TWO: LIMITATIONS. No business is eligible for this credit unless it stays open during or reopen as a hotel within 30 days following termination of Gubernational Executive Order No. 2020-18 or any similar executive order which closes all non-essential businesses or requires residents to stay at home.

SECTION THREE: RETURN TO BE FILED. Nothing in this resolution waives or amends § 34.34 of the Itasca Municipal Code, which requires returns to the be filed each quarter.

SECTION FOUR: SEVERABILITY. The various provisions of this Resolution are to be considered as severable, and if any part or portion of this Resolution shall be held invalid by any Court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Resolution.

SECTION FIVE: REPEAL OF PRIOR RESOLUTIONS. All prior Ordinances and Resolutions in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION SIX: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

AYES: Alani, Gavanes, Latorica, Leahy, Linsner

NAYS: None

ABSENT: Madaras

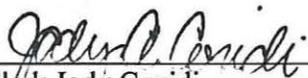
ABSTAIN: None

APPROVED and ADOPTED by the Village President and Board of Trustees of the Village of Itasca this 21<sup>st</sup> day of April, 2020.

APPROVED:

  
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Village President Jeffery J. Pruyn

ATTEST:

  
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Village Clerk Jody Conidi

