CITY OF AURORA, ILLINOIS

ORDINANCE NO. 021-007
DATE OF PASSAGE February 9, 2021

An Ordinance amending Article VII of Chapter 44 of the Code of Ordinances, City of Aurora, to authorize the periodic rebate of the City Privilege Tax upon the purchase of the City Food and Beverage Tax in certain circumstances.

WHEREAS, the City of Aurora, Illinois (hereinafter "the City") having a population in excess of 25,000, is a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution; and

WHEREAS, a home rule unit 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; to license; to tax; and to incur debt except as limited in accordance with Article VII of the Illinois Constitution; and

WHEREAS, Section 8-1-2.5 of the Illinois Municipal Code authorizes municipalities to appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality; and

WHEREAS, in the exercise of said home rule authority the City has levied a tax upon the privilege of purchasing food or alcoholic liquor at food establishment or liquor establishments and on the purchase of alcoholic liquor (hereinafter "the Food and Beverage Tax"); and

WHEREAS, the City Council finds that in times of a significant sustained reduction in the collection of the Food and Beverage Tax, it may be necessary and appropriate to rebate all or a portion of said taxes collected in the City to the business entity that collected it, for the purposes of promoting economic development; and

WHEREAS, the City Council finds that it is appropriate to confer upon the City Treasurer, as well as certain committees of the City Council the authority to determine when, how, and for what duration to rebate all or a portion of the Food and Beverage Taxes, and to determine what class or classes of businesses required to collect the tax are eligible for such rebate as more fully set forth in this Ordinance; and

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WHEREAS, the City Council intends that the authority conferred upon the officers and bodies by this Ordinance shall be construed liberally and administered and employed to promote relief to City businesses during times of significant economic distress;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:

SECTION 1: **AMENDMENT** "Sec 44-117 Filing Of Return" of the Aurora Municipal Code is hereby *amended* as follows:

AMENDMENT

Sec 44-117 Filing Of Return

(a) The owner of each food establishment or liquor establishment within the city shall file tax returns showing tax receipts received during each monthly period on forms prescribed by the mayor and/or the treasurer or their respective designee. The returns shall be due on or before the last day of the calendar month next succeeding the end of the monthly filing period.

(b) Except as provided in Sec. 44-130, at~~At~~ the time of filing such returns, the owner shall pay to the city all taxes due for the period to which the tax return applies. A commission, as set by section 44-118.1, may be deducted when timely payments are made for taxes due.

(Code 1969, § 44-117; Ord. No. O87-5685, § 1, 7-7-87; Ord. No. O16-014, § 1, 3-22-16)

SECTION 2: **ADOPTION** "Sec. 44-130 Temporary Economic Stimulus" of the Aurora Municipal Code is hereby *added* as follows:

ADOPTION

Sec. 44-130 Temporary Economic Stimulus*(Added)*

(a) Whenever the City Treasurer determines that a significant sustained reduction in the amount of tax collected under this Article has occurred, the City Treasurer, with the consent of the Mayor, may authorize the direct payment of all or a portion of the proceeds of the tax collected under this Article as a rebate to the food establishment or liquor establishment responsible for its collection in an amount equal to the taxes collected and reported by the food establishment or liquor establishment in accordance with Sec. 44-117. As used in this paragraph, a "significant sustained reduction" means tax revenues at or below sixty (60) percent of the previous calendar year's collections during the same period occurring over a three (3) month period or, in the case of a food establishment or liquor establishment that was not subject to the tax in the previous calendar year, means tax revenues at or below sixty (60) percent of the average of the collections of all proceeding months in which taxes were collected and due.

(b) The City Treasurer shall notify all food establishments or liquor establishments eligible to receive a rebate of all or a portion of the proceeds of the tax collected under this Article on or before the 15th day of the calendar month next succeeding the end of the monthly filing period specified in Sec. 44-117. Upon receipt of notice from the City Treasurer, the owner of the food establishment or liquor establishment shall file the tax return required by Sec. 44-117, but shall be entitled to retain all or a portion of the taxes collected for the filing period as a rebate in accordance with the City Treasurer's notice in lieu of remitting the tax.

(c) In determining whether to authorize a rebate of any portion of the proceeds of the tax collected pursuant to this Article to the owner of a food establishment or a liquor establishment, the City Treasurer shall consider the overall economic condition within the City, the need for the expenditure of public funds for economic development, whether and the extent to which the significant sustained reduction in the amount of taxes collected are impacting multiple establishments within the City, and the anticipated duration of any external economic, environmental, or other conditions significantly contributing to the significant sustained reduction.

(d) Prior to obtaining the authorization from the Mayor under paragraph (a), the City Treasurer shall apprise the Finance Committee in writing of his intention to initiate a rebate under this section which shall include a detailed basis for any proposed direct payments of any portion of the direct proceeds of the taxes collected under this Article as a rebate and its projected impact on City finances. The City Treasurer shall obtain the consent of the Committee of the Whole prior to obtaining the authorization of the Mayor to authorize the direct payment of the taxes collected under this Article as a rebate to any taxpayer or class of taxpayers for a duration reasonably calculated to exceed three (3) consecutive months.

EFFECTIVE DATE This Ordinance shall become effective upon its passage.

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PASSED AND APPROVED ON February 9, 2021

AYES 12 NAYS 0 NOT VOTING 0 ABSENT 0

ALDERMAN	Vote
Alderman Llamas, Ward 1	yes
Alderman Garza, Ward 2	yes
Alderman Mesiacos, Ward 3	yes
Alderman Donnell, Ward 4	yes
Alderman Franco, Ward 5	yes
Alderman Saville, Ward 6	yes
Alderman Hart-Burns, Ward 7	yes
Alderman Smith, Ward 8	yes
Alderman Bugg, Ward 9	yes
Alderman Lofchie, Ward 10	yes
Alderman Jenkins, At Large	yes
Alderman O'Connor, At Large	yes

ATTEST:

City Clerk

Mayor