

CITY OF COLUMBIA, ILLINOIS  
ORDINANCE NO. 3668

**AN ORDINANCE ESTABLISHING AND IMPOSING  
CERTAIN BUSINESS DISTRICT TAXES  
IN THE CITY OF COLUMBIA ROUTE 3/I-255 BUSINESS DISTRICT**

**WHEREAS,** the City of Columbia (“City”), Monroe and St. Clair Counties, Illinois is a duly created, organized and validly existing municipality of the State of Illinois under the 1970 Illinois Constitution and the laws of the State of Illinois, including particularly the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto; and

**WHEREAS,** the City passed Ordinance No. 3667 Establishing and Designating the Route 3/I-255 Business District and Approving the Route 3/I-255 Business District Plan within the City of Columbia, Illinois in accordance with the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1 through 11-74.3-7 (the “Business District Law”); and

**WHEREAS,** as part of Ordinance No. 3667, the Corporate Authorities of the City made the requisite findings that the Route 3/I-255 Business District qualified as a “blighted area” as defined in Section 11-74.3-5 of the Business District Law; and

**WHEREAS,** in furtherance of the Route 3/I-255 Business District, the Corporate Authorities of the City desire to establish and impose a Business District Retailers’ Occupation Tax, a Business District Service Occupation Tax and a Hotel Operators’ Occupation Tax pursuant to Section 11-74.3-3 (10) of the Business District Law; and

**WHEREAS,** the City intends to use said tax to fund certain improvements within the Business District in accordance with the Business District Law and as set forth in the Route 3/I-255 Business District Plan; and

**WHEREAS,** the Corporate Authorities of the City find and determine that it is in the best interests of the City and its residents to establish the taxes as set forth herein.

**NOW THEREFORE BE IT ORDAINED,** by the Mayor and City Council of the City of Columbia, as follows:

**Section 1.     Incorporation of Recitals.**

The City Council hereby finds that the recitals to this Ordinance are true, complete and correct and hereby incorporates them into this Ordinance.

**Section 2.     Tax Imposed.**

- a) A tax is hereby imposed effective July 1, 2024 upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government,

at retail within the Route 3/I-255 Business District at the rate of 1.0% of the gross receipts from such sales made in the course of such business while this Ordinance is in effect; and a tax is hereby imposed effective July 1, 2024 upon all persons engaged within the Route 3/I-255 Business District in the business of making sales of service, at the rate of 1.0% of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service. This “Business District Retailers’ Occupation Tax” and this “Business District Service Occupation Tax” may not be imposed on tangible personal property taxed at the rate of 1.0% under the Retailers’ Occupation Tax Act and the Service Occupation Tax Act.

- b) An occupation tax is hereby imposed effective July 1, 2024 upon all persons engaged in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators’ Occupation Tax Act, at a rate of 1.0% of the gross rental receipts from the renting, leasing, or letting of hotel rooms within the Business District, excluding, however, from gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel, as defined in the Hotel Operators’ Occupation Tax Act.
- c) The imposition of these Business District Taxes is in accordance with and subject to the provisions of subsections (b), (c) and (d), respectively, of Section 11-74.3-6 of the Illinois Municipal Code (65 ILCS 5/11-74.3-6).

### **Section 3. Notice to Illinois Department of Revenue.**

Within ninety (90) days of commencement of construction of the initial business to be located within the Route 3/I-255 Business District, the City Clerk or other appropriate City staff, as assigned by the Mayor, are directed to provide the Illinois Department of Revenue (the “Department”) with a certified copy of this Ordinance on or before April 1, 2024, and such other information required by the Department, so that the Business District Retailers’ Occupation Tax and the Business District Service Occupation Tax provided for in Section 2(a) above may be administered and enforced by the Department, beginning on July 1, 2024, depending on and subject to the IDOR notification deadlines provided for in the Business District Law. The Hotel Operators’ Occupation Tax provided for in Section 2(b) above will be administered and enforced by the City of Columbia, Illinois, beginning on July 1, 2024, depending on and subject to the IDOR notification deadlines provided for in the Business District Law. Thereafter, the appropriate City staff are directed to provide any address change, addition, or deletion of businesses located within the Business District to the Department on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1 and on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1.

### **Section 4. Route 3/I-255 Business District Tax Allocation Fund.**

All proceeds of the taxes imposed, civil penalties, and interest, which accrues from the Business District Taxes imposed hereby, shall be deposited into a special fund

of the City to be called the “Route 3/I-255 Business District Tax Allocation Fund” in accordance with the Business District Law.

**Section 5. Illinois Department of Revenue to Administer.**

The taxes hereby imposed under subsection (a) of Section 2, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce the provisions of this Ordinance with respect to the taxes imposed under subsection (a) of Section 2.

**Section 6. City of Columbia to Administer.**

The taxes hereby imposed under subsection (b) of Section 2, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the City of Columbia, Illinois. The City of Columbia, Illinois, shall have full power to administer and enforce the provisions of this Ordinance with respect to the taxes imposed under subsection (b) of Section 2.

**Section 7. Rescinding of Business District Taxes and Business District Dissolution Date.**

When business district project costs, including, without limitation, all obligations paying or reimbursing business district project costs have been paid, any surplus funds then remaining in the Route 3/I-255 Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the general corporate fund of the City. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than 23 years after the date of adoption of this Ordinance imposing the taxes pursuant to the Business District Law, the City shall adopt an ordinance immediately rescinding the taxes imposed. The dissolution date of the Route 3/I-255 Business District shall be not later than 270 days following payment to the City of the last distribution of taxes as provided in Section 11-74.3-6 of the Business District Law.

**Section 8.** If any portion of this ordinance shall be held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the remaining portions of this ordinance.

**Section 9.** This ordinance shall be in full force and effect immediately upon its passage, approval and publication as provided by law; provided however, that the taxes imposed under Section 2 take effect on July 1, 2024.

**PASSED** by the City Council and **APPROVED** by the Mayor of the City of Columbia, Illinois and deposited and filed in the office of the City Clerk on the 18<sup>th</sup> day of March, 2024, the vote being taken by ayes and noes and entered upon the legislative record as follows:

AYES: Alderman Niemietz, Huch, Holtkamp, Garmer, Khoury, Lawlor, and Nobbe.

NOES: None.

ABSTENTIONS: Alderman Riddle.

ABSENT: None.

APPROVED:

  
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BOB HILL, Mayor

ATTEST:

  
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ANDREW HITZEMANN, City Clerk

(SEAL)