

## ORDINANCE

**WHEREAS**, the Tourism Preservation and Sustainability District Act, codified at 70 ILCS 3455/1 et seq. (TID Act), authorizes the City of Chicago to form tourism preservation and sustainability districts for the purpose of promoting tourism; and

**WHEREAS**, hotels who will pay more than fifty percent (50%) of the proposed transaction charges have petitioned the Council to form the Chicago Tourism Improvement District (CTID); and

**WHEREAS**, on January 21, 2026, the City Council of the City of Chicago adopted a Resolution of Intent, Resolution No. SR2025-0021936; and

**WHEREAS**, the public hearing to consider the formation of the CTID was properly noticed in accordance with the TID Act; and

**WHEREAS**, on February 27, 2026, at 10:00 AM at the Council Chambers located on the second floor of City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, the Committee on Finance held a public hearing on the formation of the CTID and implementation the levy of transaction charges, and the Committee heard and received all objections, if any, to the formation of the CTID and the levy of the proposed transaction charges; and

**WHEREAS**, the City Clerk has 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 fifty percent (50%) or more of the proposed transaction charges, as determined by the last 12 months of State hotel operators' occupation taxed paid preceding the date of the petition; now, therefore,

### **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** The City of Chicago hereby establishes the Chicago Tourism Improvement District (CTID), for a five (5) year term, beginning May 1, 2026, and ending five (5) years from its start date, under the provisions of the Tourism Preservation and Sustainability District Act, codified at 70 ILCS 3455/1 et seq. (TID Act).

**SECTION 2.** The District Plan (Plan) created pursuant to the TID Act, is hereby adopted and approved. The Plan is on file and available for inspection with the City Clerk.

### **SECTION 3.**

(a) The supplemental services to be provided to benefit businesses in the CTID will be funded by the levy of the transaction charges. The revenue from the transaction charge levy shall not be used for any purpose other than the purposes specified in this ordinance, the Resolution of Intent, and the Plan.

(b) A 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) The transaction charges levied for the CTID shall be applied toward sales, marketing, advertising, public relations, international marketing programs, and other supplemental services, as set forth in the Plan.

(d) The CTID funds 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.

**SECTION 4.** The established 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: 60601, 60602, 60603, 60604, 60605, 60606, 60607, 60609, 60610, 60611, 60612, 60615, 60616, 60653, 60654, and 60661.

**SECTION 5.**

(a) 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 shall 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.

(b) The effective date of the transaction charge shall be May 1, 2026.

(c) 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 the Plan. Pursuant to Section 55 of the TID Act, codified at 70 ILCS 3455/55, if the CTID's term expires, any funds remaining from transaction charges shall be used in accordance with the Plan. Pursuant to Section 60 of the TID Act, codified at 70 ILCS 3455/60, in the event of termination of the CTID, any funds remaining shall be used by Choose Chicago in accordance with the Plan.

**SECTION 6.** The City shall be responsible for collecting and remitting transaction charges on a monthly basis (including any delinquencies, overdue charges, and interest) from each hotel located within the CTID. The City may take all reasonable efforts to collect the transaction charges from each hotel paying transaction charges and shall 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. Passage of this ordinance authorizes the City to remit the collected transaction charges to Choose Chicago in exchange for CC providing services and improvements.

**SECTION 7.** Pursuant to the requirements of the TID Act, the Chicago Tourism and Convention Bureau dba Choose Chicago shall serve as the local tourism and convention bureau for the CTID. Choose Chicago is a nonprofit corporation and shall create a committee composed of the business owners subject to the transaction charge, or their designees, pursuant to Section 30(b)(2) of the TID Act, codified at 70 ILCS 3455/30. The committee shall be responsible for managing funds raised by the CTID and fulfilling the obligations of the Plan. The committee shall be composed of at least nine (9) and no more than eleven (11) hotel owners. The committee shall make all reasonable efforts to ensure equal representation from various hotel sizes and locations within the CTID.

**SECTION 8.** Choose Chicago, pursuant to Section 40 of the TID Act, codified at 70 ILCS 3455/40, shall submit to the City Council a report of the CTID'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 Choose Chicago; and
- (5) A list of the accomplishments, improvements, and services attributable to the CTID.

The City Council 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 Choose Chicago and a report of the amount of total revenue received from the transaction charges and how much the City Council, if any, withheld for administrative costs related to the CTID under the Plan.

**SECTION 9.** The CTID formed pursuant to this ordinance shall be subject to any amendments to the TID Act.

**SECTION 10.** If any section, subsection, sentence, clause or phrase or word of this ordinance is for any reason held to be unconstitutional, unlawful, or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Chicago declares that it would have passed and adopted this ordinance and each and all provisions irrespective of the fact that any one or more of said provisions may be declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

**SECTION 11.** After passage and publication, this ordinance shall take effect on May 1, 2026.

Handwritten signatures and initials of Chicago City Council members and staff members, including:

- A large, stylized signature in black ink.
- Bill Conroy (initials B.C.)
- 34<sup>th</sup> Ward (initials B.W.)
- 4<sup>th</sup> Ward (initials B.J.)
- 4<sup>th</sup> Ward (initials B.J.)
- Pat Dowell (initials P.D.)
- 4<sup>th</sup> Ward (initials P.D.)
- John C. B. (initials J.C.B.)