

**ORDINANCE NO. 8331**

**AN ORDINANCE AMENDING THE VILLAGE CODE TO IMPLEMENT A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX PURSUANT TO PUBLIC ACT 103-0781 AND SUSPENDING THE COLLECTION OF SAID TAXES APPROVED BY REFERENDUM ON MARCH 21, 2006**

**WHEREAS**, the Illinois Municipal Code, 65 ILCS 5/1-2-1, provides that the corporate authorities of each municipality may pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities, with such fines or penalties as may be deemed proper; and,

**WHEREAS**, the Village of Lombard ("Village") is a non-home rule Illinois municipality pursuant to the Constitution of the State of Illinois of 1970, as amended; and

**WHEREAS**, Section 8-11-1.1 of the Illinois Municipal Code (65 ILCS 5/8-11-1.1) empowers non-home rule Illinois municipalities to impose certain Municipal Retailers' Occupation Taxes as outlined at Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) (the "Non-Home Rule Municipal Retailers' Occupation Tax"); and

**WHEREAS**, Section 8-11-1.1 of the Illinois Municipal Code (65 ILCS 5/8-11-1.1) empowers non-home rule Illinois municipalities to impose certain Municipal Service Occupation Taxes as outlined at Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) (the "Non-Home Rule Municipal Service Occupation Tax"); and

**WHEREAS**, Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) empowers a non-home rule municipality to "impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property which is titled and registered by an agency of this State's Government, at retail in the municipality" based upon the "gross receipts from such sales made in the course of such business" for "expenditure on public infrastructure or for property tax relief or both" as defined in Section 8-11-1.2 (65 ILCS 5/8-11-1.2); and

**WHEREAS**, Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) empowers a non-home rule municipality to "impose a tax upon all persons engaged, in such municipality, in the business of making sales of service . . . of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service;" and

**WHEREAS**, Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) and Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) empower the Village to impose the Non-Home Rule Municipal Retailers' Occupation Tax and the Non-Home Rule Municipal Service Occupation Tax in 1/4% increments up to 1%; and

**WHEREAS**, Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) requires any municipality imposing a Non-Home Rule Municipal Retailers' Occupation Tax

under Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) to impose a Non-Home Rule Municipal Service Occupation Tax under Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) at “the same rate” as the rate imposed as the Non-Home Rule Municipal Retailers’ Occupation Tax being imposed; and

**WHEREAS**, any Non-Home Rule Municipal Retailers’ Occupation Tax imposed by the Village under Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3) shall be administered, collected and enforced by the Illinois Department of Revenue; and

**WHEREAS**, any Non-Home Rule Municipal Service Occupation Tax imposed by the **City/Village/Town** under Section 8-11-1.4 of the Illinois Municipal Code (65 ILCS 5/8-11-1.4) shall be administered, collected and enforced by the Illinois Department of Revenue; and

**WHEREAS**, the electors of the Village approved a referendum on March 21, 2006, authorizing the Village to impose a Non-Home Rule Municipal Retailers’ Occupation Tax and a Non-Home Rule Municipal Service Occupation Tax at the rate of one percent (1%); and

**WHEREAS**, Public Act 103-0781, effective August 5, 2024, amended 65 ILCS 5/8-11-1.1 to eliminate the requirement that a Non-Home Rule Municipal Retailers’ Occupation Tax and a Non-Home Rule Municipal Service Occupation Tax may only be imposed by referendum, so that all Illinois non-home rule municipalities may impose a Non-Home Rule Municipal Retailers’ Occupation Tax and a Non-Home Rule Municipal Service Occupation Tax by ordinance or resolution without referendum approval; and

**WHEREAS** the President and Board of Trustees of the Village believe that it is appropriate, necessary, and in the best interests of the Village and its residents, that the Village suspend the collection of the Non-Home Rule Municipal Retailers’ Occupation Tax and the Non-Home Rule Municipal Service Occupation Tax approved by referendum on March 21, 2006, as set forth in Title IX, Chapter 98, Article III, Sections 98.115 and 98.116 of the Village Code, respectively;

**WHEREAS**, the President and Board of Trustees of the Village further believe that it is appropriate, necessary, and in the best interests of the Village and its residents, that the Village levy (1) a Non-Home Rule Municipal Retailers’ Occupation Tax, pursuant 65 ILCS 5/8-11-1.1, as amended by Public Act 103-0781, and 65 ILCS 5/8-11-1.3; and (2) a Non-Home Rule Municipal Service Occupation Tax, pursuant to 65 ILCS 5/8-11-1.1, as amended by Public Act 103-781, and 65 ILCS 5/8-11-1.4; and

**NOW, THEREFORE**, be it ordained, by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois as follows:

**SECTION 1:** The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

**SECTION 2:** That Title IX, Chapter 98, Article III, Section 98.115, is hereby amended to insert a new subsection (D) to read in its entirety as follows:

“(D) *Suspension of Tax.* The tax imposed under this section shall be suspended as of July 1, 2025. Reinstatement of the tax shall require formal action by the corporate authorities of the Village through the adoption of an ordinance or resolution. During the suspension period, the authority to impose the tax under this section shall remain in effect.”

**SECTION 3:** That Title IX, Chapter 98, Article III, Section 98.116 is hereby amended to insert a new subsection (D) to read in its entirety as follows:

“(D) *Suspension of Tax.* The tax imposed under this section shall be suspended as of July 1, 2025. Reinstatement of the tax shall require formal action by the corporate authorities of the Village through the adoption of an ordinance or resolution. During the suspension period, the authority to impose the tax under this section shall remain in effect.”

**SECTION 4:** That Title IX, Chapter 98, Article III, is hereby amended by adding a new Section 98.115.1, to read in its entirety as follows:

**“§ 98.115.1 – Non-home rule municipal retailers’ occupation tax under Public Act 103-0781**

- (A) *Tax Imposed.* Pursuant to 65 ILCS 5/8-11-1.1, as amended by Public Act 103-0781, a tax is hereby imposed upon all persons engaged in the business of selling tangible personal property, other than those items of tangible personal property which are exempt from said tax pursuant to 65 ILCS 5/8-11-1.3, at retail in this village at the rate of one percent of the gross receipts from such business while this section is in effect, in accordance with 65 ILCS 5/8-11-1.3.
- (B) *Collection of tax.* The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Illinois Department of Revenue in accordance with 65 Illinois Compiled Statutes 5/8-11-1.3.
- (C) *Use of taxes.* Pursuant to the referendum referenced in subsection (A) above the taxes collected pursuant to this section shall be used solely for public infrastructure as defined by 65 Illinois Compiled Statutes 5/8-11-1.2(a).”

**SECTION 5:** That Title IX, Chapter 98, Article III, is hereby amended by adding a new Section 98.116.1 to read in its entirety as follows:

**“§ 98.116.1 – Non-home rule municipal service occupation tax under Public Act 103-781**

- (A) *Tax Imposed.* Pursuant to 65 ILCS 5/8-11-1.1, as amended by Public Act 103-781, a tax is hereby imposed upon all persons engaged in the business of making sales of service, in this village at the rate of one percent of the selling price of all tangible personal property transferred by said servicemen, other than the sale/transfer of those items of tangible personal property which are exempt from said tax pursuant to 65 ILCS 5/8-11-1.4, either in the form of

tangible personal property or in the form of real estate as an incident to the sale of service while this section is in effect, in accordance with the provisions of 65 ILCS 5/8-11-1.4.

- (B) *Collection of tax.* The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Illinois Department of Revenue in accordance with 65 Illinois Compiled Statutes 5/8-11-1.3.
- (C) *Use of taxes.* Pursuant to the referendum referenced in subsection (A) above the taxes collected pursuant to this section shall be used solely for public infrastructure as defined by 65 Illinois Compiled Statutes 5/8-11-1.2(a).”

**SECTION 6:** Clerk to file Ordinance with Illinois Department of Revenue. As required under Section 8-11-1.3 of the Illinois Municipal Code (65 ILCS 5/8-11-1.3), the Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before April 1, 2025.

**SECTION 7:** Effective Date. This Ordinance shall take effect on the first day of July next following the adoption and filing of this Ordinance with the Department of Revenue, if filed on or before the preceding April 1st; or, (ii) the first day of January next following the adoption and filing of this Ordinance with the Department of Revenue, if filed on or before the preceding October 1st.

**SECTION 8:** Repeal of Conflicting Provisions. All ordinances, resolutions and policies or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of the conflict, expressly repealed on the effective date of this Ordinance.

**SECTION 9:** Severability. If any provision of this Ordinance or application thereof to any person or circumstances is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

**SECTION 10:** Headings/Captions. The headings/captions identifying the various sections and subsections of this Ordinance are for reference only and do not define, modify, expand or limit any of the terms or provisions of the Ordinance.

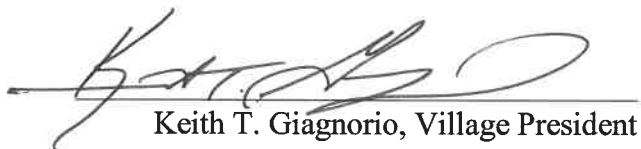
**SECTION 11:** Publication. The Clerk is directed by the corporate authorities to publish this Ordinance in pamphlet form. This Ordinance shall be in full force and effect after its passage and publication in accordance with law.

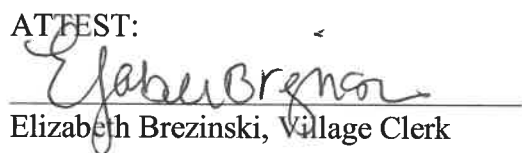
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PASSED THIS 20th day of February 2025.

AYES: Trustee LaVaque, Puccio, Dudek, Militello and Bachner  
NAYS: None  
ABSTENTIONS: None  
ABSENT: None

APPROVED THIS 20th day of February, 2025.

  
Keith T. Giagnorio, Village President

ATTEST:  
  
Elizabeth Brezinski, Village Clerk