



NEWS

From the Illinois Senate

State Senator Dave Koehler

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Koehler overrides gubernatorial veto of legislation giving East Peoria and Morton greater hotel taxing authority

SPRINGFIELD – State Senator Dave Koehler (D-Peoria) has overrode a veto by Governor Rod Blagojevich of legislation in the Illinois State Senate to give the City of East Peoria and the Village of Morton the authority to raise their hotel room tax from 5% to 6%. The legislation is designed to raise revenues in those municipalities without burdening the citizens.

“In his veto message, the governor states he cannot support this because he feels it would be a burden on consumers. The leaders of both of these municipalities and I have discussed this thoroughly. We feel this is the best way to go and will allow both the City of East Peoria and the Village of Morton to, if they choose, raise revenues without encumbering the residents of those towns,” Senator Koehler said.

According to the legislation, the municipalities would collect this tax and receive the revenue. The City of East Peoria has stated that in 2007, the city hotel room tax generated \$661,314.44 for that municipality. In February of 2008 alone, the city generated \$82,139.36 for the motel tax.

“Any revenues generated through this measure would come from consumers, a vast majority of whom come from out of town, who stay at hotels. While I understand and sympathize with the governor’s concern with consumers, I feel this is an innovative way to allow local governments to raise revenues without burdening local citizens, just as the governor says he doesn’t want to do,” Senator Koehler said.

According to the Illinois Hotel and Lodging Association, Illinois hosted 91 million visitors in 2006, a 6.4 percent increase over 2005. Illinois is the sixth most visited state in the U.S. and, among international travelers, it is the ninth most visited state. Tourism generated \$1.875 billion in state and local taxes, a 6.9 percent increase, providing an additional \$149 million to state and local tax coffers. Illinois’ hotel room tax receipts reached nearly \$190 million, and by statute, 33.5 percent of these tax revenues are supposed to be invested in local and statewide tourism.

“By increasing this amount paid at motels in East Peoria and Morton, we are raising revenues for municipal coffers and not burdening residents of those towns. Travelers who stay in East Peoria or in Morton will see a negligible rise in room rate and will still enjoy their stay in our region. There is still much to do and see in the Peoria area and it is still a good deal to come and stay in East Peoria and Morton. This is an insignificant increase designed to help our communities,” Senator Koehler said.

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