
THE CITY OF ROCHELLE
Ogle County, Illinois

ORDINANCE
NO. _____

**AN ORDINANCE IMPLEMENTING A NON-HOME RULE MUNICIPAL GROCERY
OCCUPATION TAX FOR THE CITY OF ROCHELLE**

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City Council

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1301 W. 22nd Street – Ste. 500 Oak Brook, Illinois 60523

ORDINANCE NO: _____

Date Passed:

**AN ORDINANCE IMPLEMENTING A NON-HOME RULE MUNICIPAL GROCERY
OCCUPATION TAX FOR THE CITY OF ROCHELLE**

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 City of Rochelle is a non-home rule Illinois municipality pursuant to the Constitution of the State of Illinois of 1970, as amended; and,

WHEREAS, Section 8-11-24(a) of the Illinois Municipal Code (65 ILCS 5/8-11-24(a)) empowers a municipality to “impose a tax upon all persons engaged in the business of selling groceries at retail in the municipality on the gross receipts from those sales made in the course of that business.” (65 ILCS 5/8-11-24(a)); and,

WHEREAS, any Municipal Grocery Occupation Tax imposed by the City of Rochelle under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) shall be administered, collected and enforced by the Illinois Department of Revenue; and,

WHEREAS for purposes of a Municipal Grocery Retail Occupation Tax, groceries shall mean “food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption), as further defined in Section 2-10 of the Retailers' Occupation Tax Act.” 65 ILCS 5/8-11-24(h); and

WHEREAS, if a Municipal Grocery Retail Occupation Tax is imposed, similarly a Municipal Grocery Service Occupation Tax shall also imposed at the same rate, for “all persons engaged, in the municipality, in the business of making sales of service, who, as an incident to making those sales of service, transfer groceries, as defined in this Section, as an incident to a sale of service.” 65 ILCS 5/8-11-24(b); and

WHEREAS for purposes of this Municipal Grocery Service Occupation Tax, groceries shall mean “food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption)”, as further defined in Section 3-10 of the Service Occupation Tax Act. 65 ILCS 5/8-11-24(h); and

WHEREAS for purposes of this Municipal Grocery Service Occupation Tax, groceries shall also mean “food prepared for immediate consumption and transferred incident to a sale of service subject to the Service Occupation Tax Act or the Service Use Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health

Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act.” 65 ILCS 5/8-11-24(h); and

WHEREAS, any municipality that adopts a Municipal Grocery Occupation Tax and provides the Illinois Department of Revenue with a certified copy of the Ordinance or Resolution prior to October 1, 2025, the tax shall be effective and collected beginning on January 1, 2026; and

WHEREAS, the City Council of the City of Rochelle believes that it is appropriate, necessary, and in the best interests of the City and its residents, that the City levy a Municipal Grocery Retail Occupation Tax pursuant to Section 8-11-24(a) of the Illinois Municipal Code (65 ILCS 5/8-11-24(a)) and a Municipal Grocery Service Occupation Tax pursuant to Section 8-11-24(b) of the Illinois Municipal Code (65 ILCS 5/8-11-24(b)) so that the City can provide property tax relief and invest in public infrastructure, as those terms are defined at Section 8-11-1.2 of the Illinois Municipal Code (65 ILCS 5/8-11-1.2).

NOW, THEREFORE, be it ordained, by the Corporate Authorities of the City of Rochelle of as follows:

Section 1. Incorporation of Recitals. The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

Section 2. Municipal Grocery Occupation Tax Imposed. A tax is hereby imposed upon all persons engaged in the business of selling food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption, at retail in this municipality at the rate of [choose one: 0.25% or 0.50% or 0.75% or 1.00%] of the gross receipts from such sales made in the course of such business while this Ordinance is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24(a) of the Illinois Municipal Code (65 ILCS 5/8-11-24(a)).

Section 3. Municipal Grocery Service Occupation Tax Imposed. A tax is hereby imposed upon all persons engaged in this municipality in the business of making sales of service, of the selling price of all food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) as well as selling food prepared for immediate consumption and transferred incident to a sale of service subject to the Service Occupation Tax Act or the Service Use Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act.” The rate of this tax shall be the same rate identified in Section 2, above. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24(b) of the Illinois Municipal Code (65 ILCS 5/8-11-24(b)).

Section 4. Illinois Department of Revenue to Administer Both Taxes. The taxes hereby imposed, 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.

Section 5. Clerk to file Ordinance with Illinois Department of Revenue. As required under Section 8-11-24(f) of the Illinois Municipal Code (65 ILCS 5/8-11-24(f)), the Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before October 1, 2025.

Section 6. Effective Date. This Municipal Grocery Tax shall take effect on January 1, 2026, if filed on or before October 1, 2025.

Section 7. Limitation on Use of Proceeds. The City shall only expend the proceeds generated from any tax imposed by virtue of this Ordinance on: (a) expenditures related to “municipal roads and streets, access roads, bridges, and sidewalks; waste disposal systems; and water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities[;]” (b) efforts to “reduce the levy for real estate taxes or avoid an increase in the levy for real estate taxes that would otherwise have been required” by the City or (c) any other or further permitted uses under Section 8-11-1 of the Illinois Municipal Code (65 ILCS 5/8-11-1) as may now or hereafter be authorized therein.

Section 8. Qualified Exemption of Aviation Fuel from Both Taxes. No provision of this Ordinance shall be interpreted to impose any tax on aviation fuel, as defined in Section 3 of the Retailers’ Occupation Tax Act (35 ILCS 120/3), unless the proceeds of said tax are expended for airport-related purposes, as that term is defined in Section 6z-20.2 of the State Finance Act (30 ILCS 105/6z-20.2), and said expenditures are made in compliance with the certification requirements for airport-related purposes under Section 2-22 of the Municipal Grocery Occupation Tax Act (35 ILCS 120/2–22).

Section 9. 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 10. 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 11. 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 12. Publication. The clerk is directed by the corporate authorities to publish this Ordinance in pamphlet form.

PASSED AND APPROVED this ____th day of _____ 202_.

ATTEST:

City Clerk

Mayor

STATE OF ILLINOIS)
)
COUNTY OF OGLE) SS.

CERTIFICATE

I, Rose Huéramo, City Clerk of the City of Rochelle, County of Ogle and State of Illinois,
DO HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. _____,
“AN ORDINANCE IMPLEMENTING A NON-HOME RULE MUNICIPAL GROCERY
OCCUPATION TAX” which was adopted by the Mayor and City Council of the City of Rochelle
on _____.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of
the City of Rochelle this _____th day of _____.

CITY CLERK