

M E M O R A N D U M

TO: Chief Administrative Officer

FROM: City Comptroller

RE: Truth in Taxation Property Tax Resolution and Timetable
For Passage of Tax Levies

DATE: October 13, 2003

Brief Description of Item. It's time to start the annual property tax levy process for the City's fiscal year ended June 30, 2004. The first step in this process is to comply with the State Truth in Taxation Law. This law requires that the City Council pass a resolution that provides notice of our intent to levy certain property taxes. If the increase is 5% or above, we are required to hold a public hearing on the levy and publish a special notice in the newspaper of the levy amounts and of the public hearing.

The attached resolution sets the maximum amount of the levy. The actual levy ordinance is approved as a separate action later (see timetable below) and the Council can reduce the levy amount at that time, if desired.

This year as approved in the budget, the resolution states that the maximum amount that the levy is contemplated to increase is 5.5%. I estimate this amount will produce a property tax rate of \$1.3178, the same as this year. The 5.5% equals the estimated increase in assessed value, 2.5% due to new construction and annexations, 1.0% due to the termination of TIF One, and 2.0% represents the inflationary increase in the value of current property (\$7 on home valued at \$75,000).

A suggested timetable for passage of the property tax levies follows:

- Committee 10/13, Truth in Taxation Resolution submitted
- Council 10/27, Truth in Taxation Resolution approved
- Public Hearing at 7:25 pm, 11/10

- Committee 11/10, levy ordinances submitted and deferred (ordinances cannot be adopted until 11/17, 20 days after resolution is approved)
- Council 11/17, levy ordinances approved
- Ordinances must be filed with County Clerk no later than December 9, 2003

Recommendation. Approval of the attached resolution.

RESOLUTION NO. 2003-10-022R

A RESOLUTION
DETERMINING THE AMOUNTS OF MONEY
NECESSARY TO BE RAISED BY THE TAX LEVY

(2003)

WHEREAS, An Act to provide procedures for public notice and hearing on tax and levy increases, approved and effective July 29, 1981, and known and cited as "The Truth in Taxation Act" (35 ILCS 200/18-55 et seq.), as amended, (the "Act"), requires taxing districts, including the City of Urbana, to disclose by publication and hold a public hearing on their intention to adopt an aggregate levy in amounts more than 105% of the property taxes extended or estimated to be extended, including any amount abated by the taxing district prior to such extension, upon the levy of the preceding year; and

WHEREAS, section 4 of the Act requires the corporate authority of each taxing district, not less than twenty (20) days prior to the adoption of its aggregate levy (the "Levy"), to determine the amounts of money, exclusive of any portion of that Levy attributable to the cost of conducting any election required by the general election law ("Election Costs"), estimated to be necessary to be raised by taxation for that year upon the taxable property in its district; and

WHEREAS, if the estimate of the corporate authority required to be made as provided in section 4 of the Act is more than 105% of the amount extended or estimated to be extended, including any amount abated by the corporate authority prior to such extension, upon the levy of the preceding year, exclusive of Election Costs, section 6 of the Act requires the corporate authority to give public notice of and hold a public hearing on its intent to adopt a levy which is more than 105% of the extensions, including any amount abated, exclusive of Election Costs, for the preceding year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

(a) That the amounts of money, exclusive of Election Costs, estimated and proposed to be raised by the Levy for the current year upon the taxable property in the City of Urbana is \$4,915,780.

(b) That the aggregate amount of property taxes for the City of Urbana, extended or estimated to be extended, including any amount abated by the corporate authority prior to such extension, upon the levy of the preceding year, exclusive of Election Costs, was \$4,659,407.

(c) That the amounts estimated and proposed for the current year Levy are hereby determined to be 105.5% of the amounts extended or estimated to be extended for the preceding year.

PASSED by the City Council this ____ day of _____, 2003.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2003.

Tod Satterthwaite, Mayor

CITY OF URBANA
 2003 LEVY INFORMATION
 levy rate = \$1.3178

	CURRENT AMOUNT	LAST YR. AMOUNT	2 YRS AGO AMOUNT	% CHANGE				
				1 YR.	2 YRS.	3 YRS.	5 YRS.	10 YRS.
GENERAL	\$ 1,021,720	\$ 1,044,460	\$ 1,151,300	-2.2%	-5.6%	-8.2%	-4.9%	-4.3%
PENSIONS	\$ 1,881,120	\$ 1,679,479	\$ 1,494,500	12.0%	12.9%	14.2%	12.4%	23.8%
SUBTOTAL, BEFORE LIBRARY	\$ 2,902,840	\$ 2,723,939	\$ 2,645,800	6.6%	4.9%	2.8%	3.1%	2.4%
LIBRARY	\$ 2,012,940	\$ 1,935,468	\$ 1,823,800	4.0%	5.2%	8.0%	7.6%	6.8%
TOTAL	\$ 4,915,780	\$ 4,659,407	\$ 4,469,600	5.5%	5.0%	4.8%	4.7%	3.8%
CITY TAX RATE/300\$ AN	1.3178	1.3178	1.3314	0.0%	-0.5%	-1.7%	-2.2%	-1.6%
EQUALIZED ASSESSED VALUE	\$ 373,021,268	\$ 353,574,662	\$ 335,711,396	5.5%	5.6%	6.9%	7.8%	6.4%
INCR. ASSESSED VALUE	5.50%	5.32%	8.52%					
INCR. DUE ANNEXATIONS, TIF & NEW CONSTRUCTION	3.50%	3.50%	3.50%					
INCR. DUE INCREASE IN VALUE CURRENT PROPERTY	2.00%	1.82%	5.02%					
\$75,000 HOMEOWNER PAYS TO CITY	\$ 343.96	\$ 337.21	\$ 332.85	2.0%				
OVERALL TAX RATE FOR URBANA HOMEOWNER (assumes rest of overlapping governments keep their rate same)	8.6311	8.6311	8.5936	0.0%	0.2%	-2.0%	-1.3%	-0.3%
CHAMPAIGN: CITY TAX RATE	1.3100	1.3030	1.2879	0.5%	0.9%	-0.1%	0.6%	-1.1
OVERALL TAX RATE ASSESSED VALUE	7.6557	7.6557	7.6463	0.0%	0.1%	-0.7%	-0.9%	-0.4%
	\$ 884,592,500	\$846,500,000	\$775,086,391	4.5%	7.1%	6.6%	6.3%	7.1%