

M E M O R A N D U M

TO: Mayor Prussing and Members of the Urbana City Council

FROM: City Comptroller

RE: Truth in Taxation Property Tax Resolution and Timetable
For Passage of 2007 Tax Levy Payable in 2008

DATE: September 10, 2007

State Truth-in-Taxation Law requires that the City make a determination of the maximum amount that might be levied. If this amount is above a 5% increase, then notice must be given to the public on the City's intent to possibly adopt this levy and the City must hold a public hearing for comment.

The Cunningham Township Assessor has estimated that the assessed value of the City will increase 8.7%. This is made up of the following items:

- Net Increase to current homeowners + 3.90%
- Additions due to new construction/annexations + 4.27%
- Additions due to new construction, Carle + 0.53%

Because we cannot be certain of exactly how much our assessed value will increase, I have prepared the resolution with a 12% increase. Because this resolution only determines a ceiling or maximum amount, it is necessary to include this artificially high amount. This amount will allow the City to decide exactly what rate is desired when the Tax Levy Ordinance and Tax Levy Resolution are approved in November.

Also included in this amount are \$ that will be levied against Carle, which is being held in a special account for possible refund.

Last year's resolution was stated at a 12% increase but the final property tax levy increased 6.3% over 2006, with 3.5% due to new construction and annexations and 4.75% inflation on current homeowners.

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

- Committee 10/08, Truth in Taxation Resolution Presented
- Council 10/15, Truth in Taxation Resolution Approved
(Resolution must be approved at least 20 days prior to tax levy ordinance approval)
- Public Hearing on Monday, 11/19
- Committee 11/26, Property Tax Levy Ordinance Presented
- Council Meeting 12/03, Property Tax Levy Ordinances and Resolution approved
- Property Tax Levy Ordinance must be approved, signed and filed with County Clerk no later than Tuesday, December 11, 2007

Recommendation. Approval of the attached resolution.

RESOLUTION NO. 2007-10-022R

A RESOLUTION
DETERMINING THE AMOUNTS OF MONEY
NECESSARY TO BE RAISED BY THE TAX LEVY (2007)

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 \$7,342,655.

(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 \$6,544,459.

(c) That the amounts estimated and proposed for the current year Levy are hereby determined to be 112.2% of the amounts extended or estimated to be extended for the preceding year.

PASSED by the City Council this ____ day of _____, 2007.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2007.

Laurel L. Prussing, Mayor