

RESOLUTION NO. 2013-05-025R

A RESOLUTION IN SUPPORT OF HOSPITALS PAYING THEIR FAIR SHARE

**WHEREAS**, Carle Hospital, based in Urbana, is a regional medical center serving 25 counties in East Central Illinois and western Indiana, with a population of 1.2 million people, and

**WHEREAS**, Urbana with 41,250 residents comprises only 3 percent of Carle's service region population; and

**WHEREAS**, the vast majority of Carle properties are now exempt from taxes payable in 2013, due to last year's passage of Senate Bill-2194; and

**WHEREAS**, 83% of Carle's exempt property is in the city of Urbana; and

**WHEREAS**, SB-2194 was passed in 2012 at the urging of the Illinois Hospital Association, one of the state's most powerful lobbying groups, without any input from local taxing bodies in Urbana that will be financially devastated by the legislation; and

**WHEREAS**, Urbana's largest taxing bodies - the city, Cunningham Township, the park district and Unit 116 school district - will lose \$4.58 million in property tax income from Carle this year due to the new state law; and

**WHEREAS**, the loss to Champaign County taxing bodies, including those in Urbana, will total \$6.3 million this year; and

**WHEREAS**, Carle Foundation Hospital properties in Urbana constitute nearly 11 percent of the city's assessed value; and

**WHEREAS**, the removal of Carle property from Urbana's tax base will lead to 11 percent higher tax rates and shift Carle's fair share onto all Urbana homeowners and all other businesses in Urbana; and

**WHEREAS**, 11 percent higher tax rates will put Urbana on a downward spiral, unable to compete for businesses and residents; and

**WHEREAS,** Carle hospital is highly profitable, earning \$107 million in revenues over expenses and holding \$763 million in unrestricted cash reserves in 2011; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Urbana, Champaign County, Illinois, that we support a legislative solution that would require the Carle Foundation to pay its fair share in local property taxes. Specifically, the city council believes that any hospital that can afford to pay property taxes and still be more profitable than the vast majority of other businesses should not be granted a property tax exemption—especially one that would disproportionately and severely affect one community.

Motion was made by Alderman \_\_\_\_\_, seconded by Alderman \_\_\_\_\_ that the Resolution be adopted.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor