

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 2005 Tax Levy Payable in 2006

DATE: September 26, 2005

State Truth-in-Taxation Law requires that the City make a determination of the maximum amount that is being considered to 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 9.87%. This is made up of the following items:

- Net Increase to current homeowners + 5.5%
- Additions due to new construction + 4.4%

If we want to preserve the possibility of making a levy that would maintain the City's 1.3120 rate (equal to Champaign), we must pass a resolution that includes an increase of at least 9.87%. In order to be safe, I have prepared the resolution with a maximum increase of 12%. This resolution only determines a ceiling or maximum amount. The actual amount will be determined in the Spring of 2006, when the equalized assessed value will be known and the City will automatically lower the levy amount such that the rate of 1.3120 will be achieved.

Also included in this levy amount is \$269,310 that will be levied against Carle. Carle has filed an appeal and it is possible that the City will have to repay this amount. Therefore, we must contemplate a levy with this additional Carle amount, which is being held in a special account for possible refund.

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

- Committee 9/26, Truth in Taxation Resolution Forwarded
- Council 10/3, Truth in Taxation Resolution Approved
- Public Hearing Held on Monday, 10/24
- Committee 10/24, Property Tax Levy Ordinance Presented
- Property Tax Levy Ordinance must be approved, signed and filed with County Clerk no later than Tuesday, December 2, 2005

Recommendation. Approval of the attached resolution.

RESOLUTION NO. 2005-09-015R

A RESOLUTION
DETERMINING THE AMOUNTS OF MONEY
NECESSARY TO BE RAISED BY THE TAX LEVY (2005)

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 \$6,286,372.

(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 \$5,612,832.

(c) That the amounts estimated and proposed for the current year Levy are hereby determined to be 112.0% of the amounts extended or estimated to be extended for the preceding year.

2005. PASSED by the City Council this ____ day of _____,

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

2005. APPROVED by the Mayor this ____ day of _____,

Laurel L. Prussing, Mayor