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# VILLAGE OF OAK PARK

## *TAX LEVY POLICY*

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### **I. DEFINITIONS**

“CONSUMER PRICE INDEX” shall mean the United States Department of Labor, Bureau of Labor Chicago Statistics, Revised Consumer Price Index for all Urban Wage Earners for Chicago-Naperville-Elgin, IL-IN-WI (all items, 1982-84 = 100).

“LEVY EXTENSION PROCESS” shall mean Article 18 of the Property Tax Code.

“PROPERTY TAX CODE” shall mean 35 Illinois Compiled Statutes 200.

“PROPERTY TAX LEVY” shall mean the Village’s annual property tax levy adopted pursuant to 35 Illinois Compiled Statutes 200 (“Property Tax Code”), Article 18 (“Levy Extension Process”).

“VILLAGE” shall mean the Village of Oak Park.

### **II. SCOPE**

On an annual basis, the Village levies ad valorem taxes on real property located within the Village in accordance with the Property Tax Code Levy Extension Process. In order to sustain efficient and responsive service-delivery and not overburden the local tax base, the Village will adopt annual tax levy increases in accordance with this Policy.

### **III. POLICY**

**A. Property Tax Levy Calculation** - After accounting for the costs set forth in subsection B below, and the expected revenues, other than real property taxes, for a given budget year, the Village shall calculate a tax rate such that the resulting Property Tax Levy that is equal to the projected expenditures less the projected revenues in the proposed budget.

**B.** The following factors must be taken into consideration as part of the Village Board’s adoption of the annual Property Tax Levy:

1. The average Consumer Price Index for the twelve (12) month period preceding the Village Board’s initial consideration of the annual property tax levy;
2. Labor costs and related operating costs to support General Fund operations. The annual increase for this component ties to additional dollars available for new growth, as set forth in item 1 above;

3. Levy for Police and Fire pensions per actuarial calculations. If the actuarial reports indicate a higher employer contribution is needed, said increase will need to be added to the Village's overall previous year levy request to avoid underfunding;
4. Health and other insurance costs;
5. Social Security, Medicare (FICA) or any relevant taxes imposed by the Federal government;
6. Self-insurance and insurance premium costs;
7. Principal and interest on outstanding debt obligations;
8. Capital improvement plans;
9. Levy to fund additional personnel as determined by the Village Board;
10. A reduction in other Village revenue sources;
11. To sustain ample reserve levels as deemed appropriate by the Village Board / Fund Balance Policy; and
12. Other financial considerations as applicable.

**C. Tax Levy Limit** - Should the Village propose an increase in the Property Tax Levy by more than five percent (5%) or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year, whichever is less, after accounting for applicable exemptions, over the preceding year, a legal notice shall be published, and a public hearing held, in accordance with the Levy Extension Process.

**D. Payment Dates** - Property taxes are collected by the Cook County Treasurer, who remits to each property tax unit of government its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date.

#### **IV. ANNUAL REVIEW & AMENDMENTS**

On an annual basis, or as deemed necessary, the Village Board of Trustees shall review this Policy and shall approve any revisions by formal resolution.