FISCAL STRUCTURE AND

POLICY MANUAL

VILLAGE OF OAK PARK ILLINOIS

Tax Levy Policy

Adopted: __________, 2026

I. GOVERNING AUTHORITY

The Village of Oak Park (hereinafter referred to as the "Village") is a home rule municipality pursuant to Article VII, Section 6 of the Illinois Constitution. As a home rule unit, the Village may exercise any power and perform any function pertaining to its government and affairs, including the authority to tax and incur debt. Accordingly, the Village Board may levy property taxes for corporate operations and other lawful purposes, including debt service, police and fire pension obligations, library services, and special service areas.

The Village's property tax levy is generally not subject to the statutory rate limitations or the Property Tax Extension Limitation Law applicable to non-home-rule taxing districts. Nevertheless, the levy shall comply with the Illinois Constitution; the Property Tax Code, 35 ILCS 200/1-1 et seq., including the Truth in Taxation Law; the Illinois Municipal Code, 65 ILCS 5/1-1-1 et seq.; and all applicable laws governing particular levy purposes. Cook County shall assess taxable property and extend, collect, and distribute the Village's levy in accordance with applicable law.

Should any provision of the Village's Tax Levy Policy (hereinafter referred to as the "Policy") conflict with the Illinois Constitution, a state law that validly limits or governs the Village's home rule authority, a court order, or a legally binding debt obligation, the applicable controlling authority shall prevail.

II. PURPOSE AND SCOPE

This Policy establishes a consistent, transparent framework for the Village Board of Trustees to consider and adopt the Village's annual property tax levy. The framework is intended to support structural balance, align recurring revenues with recurring services, fund legal and contractual obligations, advance Board goals and priority projects, and clearly communicate the effect of the levy on taxpayers.

The Village is a home-rule municipality under Article VII, Section 6 of the Illinois Constitution. The Property Tax Extension Limitation Law (PTELL) does not limit the Village's annual extension, and statutory fund-rate ceilings generally do not apply to the Village as a home-rule unit. The Village remains subject to the Truth in Taxation Law, applicable filing and notice requirements, the Illinois Pension Code, the Illinois Local Library Act, debt covenants and ordinances, Special Service Area requirements, and other applicable law.

This Policy applies to the Village-wide Policy Levy defined below. Special Service Area levies and other taxes imposed only on a defined geographic area shall be presented separately and are not included in the Village-wide planning range unless the Village Board expressly provides otherwise.

III. DEFINITIONS

A. **Above-Baseline Recurring Commitment:** a new or expanded program, position, contractual service, external partner-agency commitment, or other ongoing cost not fully included in the prior year's recurring operating base. A pilot or temporary initiative becomes an Above-Baseline Recurring Commitment when it is continued as an ongoing service after one-time funding ends.

B. **Certified Levy Amount:** the dollar amount adopted and certified by the Village before the Cook County collection-loss factor or other County adjustment. The Certified Levy Amount is the denominator used to evaluate compliance with the Policy Planning Range.

C. **Consumer Price Index or CPI:** the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, not seasonally adjusted, for the calendar year preceding the levy year, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

D. **Corporate Operations Levy:** the Village-wide levy supporting General Fund and other general operating purposes, including recurring personnel, contractual services, insurance, materials, and net recurring support for external partner agencies after applying dedicated or restricted revenues.

E. **Debt Service Levy:** the levy for principal, interest, and related amounts due on bonds, notes, or other evidence of indebtedness, shown by debt issue and net of abatements or legally available alternate revenues.

F. **External Partner Agency:** a non-Village entity receiving Village financial support to provide a Board-authorized public service, program, promotion, or community benefit.

G. **Library Levy:** the levy for the Oak Park Public Library, shown separately from Village operating, pension, and debt components and based on the amount determined through the applicable Library and Village levy process.

H. **Pension Levy:** the property tax amounts dedicated to Police and Fire pension funding. Police and Fire shall be shown separately and in total.

I. **Policy Levy:** the total Certified Levy Amount for Corporate Operations, Police and Fire Pensions, Debt Service, and Library. Unless expressly stated, the Policy Levy excludes Special Service Areas and other geographically limited levies.

J. **Property Tax Code:** 35 Illinois Compiled Statutes 200, as amended.

K. **Special or Dedicated Levy:** a levy restricted by law, ordinance, geographic boundary, or agreement to a defined purpose or group of properties, including a Special Service Area levy.

L. **Village:** the Village of Oak Park, Illinois.

IV. LEVY COMPONENTS AND PURPOSES

The annual levy recommendation shall be organized into the following four primary components:

A. Corporate Operations Levy - recurring Village operations and the net recurring cost of external partner-agency services.
B. Debt Service Levy - scheduled principal and interest by debt issue, reduced by proposed abatements and other legally available repayment sources.
C. Pension Levy - Police and Fire pension contributions based on applicable law, the Village's pension funding policy, and current actuarial calculations.
D. Library Levy - the Library component presented separately from Village-controlled operating decisions.

Other levy purposes may be used when authorized and appropriate. Before proposing a purpose not used in the preceding year, management shall identify the legal authority, home-rule treatment, required hearing or referendum, restriction on use, accounting fund, and whether the purpose is included in or excluded from the Policy Levy. The Finance Department shall maintain the administrative levy-purpose schedule in Appendix A and update it annually.

V. Policy Planning Range

A. Normal Range. Management shall prepare and ordinarily recommend a Policy Levy increase within a planning range measured against the prior year's Certified Levy Amount. The normal planning floor is three percent (3%). The planning ceiling is the greater of five percent (5%) or CPI.
B. Governance Framework. The Policy Planning Range is a decision framework. It is not a legal tax cap, an automatic tax increase, a spending authorization, or an entitlement for any department, program, or external partner agency.
C. Baseline and Above-Baseline Amounts. The three percent (3%) scenario shall represent the baseline planning case. Any Above-Baseline Recurring Commitment shall be separately identified and counted when determining whether the recommended Policy Levy remains within the planning ceiling.
D. New Property and Recovered Tax Base. Estimated new property, annexation, and recovered tax increment shall be shown separately as tax-base capacity. Such capacity does not automatically increase the planning ceiling unless the Village Board expressly directs otherwise.
E. Outside the Range. The Village Board may adopt a Policy Levy below the planning floor or above the planning ceiling. Management shall accompany any such recommendation with written findings describing the reason, alternatives considered, estimated taxpayer effect, service-level implications, fund-balance effect, and a five-year funding plan. Reasons may include a legal mandate, actuarial pension requirement, debt obligation, Library levy request, emergency, material revenue loss, major Board priority, or evidence that a lower levy is sustainable.

VI. Annual Levy Development

A. Component Allocation. Management shall first identify the Police and Fire pension contributions, net Debt Service Levy, and Library Levy. It shall then calculate the Corporate Operations Levy available under each scenario. If fixed or separately determined components materially constrain Corporate Operations or cause the Policy Levy to exceed the planning ceiling, management shall present operating reductions, alternative recurring revenues, phasing options, use of legally available reserves, or an exception under Section V.E.

B. Recurring Operations. The Corporate Operations baseline shall include the full annualized cost of recurring personnel, labor agreements, insurance, contractual services, supplies, utilities, and ongoing external partner-agency commitments, net of dedicated and restricted revenue.

C. Pilots and One-Time Funding. A program, position, or partner service initiated or expanded during the year with fund balance, grant proceeds, or another one-time source shall not be treated as permanently funded. Before it becomes part of ongoing operations, management shall identify a recurring fee, fine, grant, Special Service Area, dedicated revenue, offsetting reduction, or levy amount. If no such source is available, the net annualized cost shall be identified as an Above-Baseline Recurring Commitment.

D. External Partner Agencies. The annual levy memorandum shall include a partner-agency schedule showing the gross appropriation, funding source, dedicated or restricted revenue, net Corporate Operations support, recurring or one-time status, agreement term, and expected service outcomes. Inclusion in one year's budget does not create an automatic right to future funding.

E. Special Service Areas. A partner funded from an SSA, including Downtown Oak Park Business Alliance through SSA No. 1, shall be presented in a separate dedicated-levy schedule and excluded from the Village-wide Policy Planning Range. Any additional Village-wide operating support for the same partner shall be shown separately to avoid double counting.

VII. REQUIRED ANNUAL PRESENTATION

At least twenty (20) days before adoption of the levy, or earlier when required to support the budget process, management shall present the following information:

A. At least three scenarios: the 3% baseline, a midpoint or recommended scenario, and the planning ceiling.

B. For each scenario, the Corporate Operations, Police Pension, Fire Pension, Debt Service, and Library components, with dollar and percentage changes.

C. The Certified Levy Amount before collection-loss factors, the estimated County extension after loss factors, and the estimated aggregate tax rate.

D. A ten-year history of the levy by component, EAV, tax rate, new property, and recovered TIF increment, when available.

E. A five-year forecast showing recurring revenues, recurring expenditures, planned debt service, pension contributions, Library assumptions, fund balance, and the structural gap under each scenario.

F. Estimated impact on representative residential, commercial, and multifamily properties, with clear explanation that reassessment, exemptions, and changes in the overall tax base affect individual bills.

G. A reconciliation of all fund-balance or one-time revenue used for recurring services and the levy that would be required without those sources.
H. The external partner-agency schedule and the separate Special Service Area schedule.
I. Any proposed departure from the Policy Planning Range and the written findings required by Section V.E.

VIII. Truth In Taxation and Legal Compliance

The Policy Planning Range is separate from the Truth in Taxation Law. Under current 35 ILCS 200/18-55 through 18-90, the statutory aggregate levy includes the annual corporate levy and annual special-purpose levies, including pension and insurance-related levies, but excludes debt service and public building commission lease levies. If the estimated aggregate levy is more than 105% of the prior year's extension, after the statutory adjustments, the Village shall publish notice and hold the required public hearing. The levy hearing shall not coincide with the hearing on the proposed budget.
The Village shall comply with all applicable estimate, notice, hearing, ordinance, certification, filing, abatement, and collection requirements in effect for the levy year. If the law changes, the current law controls and this Policy shall be conformed at the next available review.

IX. Collection and Payment Dates

Property taxes are collected by the Cook County Treasurer and distributed to taxing units. Taxes levied in one year are generally payable in the following collection year in installments established by current law and Cook County's billing schedule.

X. Annual Review and Amendments

The Village Board shall review this Policy annually or as otherwise necessary. The Finance Department shall verify the CPI source, Truth in Taxation requirements, home-rule treatment, pension funding requirements, Library and debt provisions, and the administrative levy-purpose schedule before the annual levy is presented. Revisions to this Policy shall be approved by formal resolution.

Adopted:

ADMINISTRATIVE APPENDIX

Appendix A - Levy Purposes and Rate Treatment

Important legal point: the Property Tax Code governs the levy and extension process, but it does not contain a single closed list of municipal levy purposes. Purpose-specific authority is found across the Illinois Municipal Code, Pension Code, Local Library Act, Tort Immunity Act, Special Service Area Tax Law, and other statutes. The Illinois Department of Revenue's current Property Tax Fund Max Rate and Statute Reference is the best statewide administrative inventory.

For Oak Park, the practical home-rule maximum shown below is 'No statutory rate ceiling' unless a specific law validly limits home-rule power or a debt, referendum, SSA, or other procedural condition applies. The non-home-rule rate is included only as a reference benchmark; it is not Oak Park's legal ceiling.

A. Active Village-wide purposes in 2024 or 2025

Purpose	Cook code	Primary authority	Non-home reference	Oak Park treatment	Status
Corporate	001-000	65 ILCS 5/8-3-1	0.4375%	No statutory rate ceiling	Active
Police Pension	006-000	40 ILCS 5/3-125	No rate limit	No statutory rate ceiling	Active
Fire Pension	007-000	40 ILCS 5/4-118	No rate limit	No statutory rate ceiling	Active
Debt Service - Corporate Purposes	003 series	65 ILCS 5/8-1-3; bond ordinances	No rate limit	No statutory rate ceiling; debt rules apply	Active
Library Operations	005-001	75 ILCS 5/3-4, 3-5	0.15% base; up to 0.60% by referendum	No statutory rate ceiling; Library Act process applies	Active

B. Dedicated levy shown separately

Purpose	Cook Co Code	Primary authority	Non-home reference	Oak Park treatment	Status
Special Service Area	Separate authority/report	35 ILCS 200/27-25 and 27-55	No rate limit	No general rate ceiling; boundary, purpose, notice, objection, and ordinance requirements apply	Active for SSA No. 1 / DTOP

C. Other purposes configured on Oak Park's 2025 Cook County report

Purpose	Cook code	Primary authority	Non-home reference	Oak Park treatment	Status
Garbage	004-000	65 ILCS 5/11-19-4	0.20%	No statutory rate ceiling	Unused
Illinois Municipal Retirement Fund	008-000	40 ILCS 5/7-171	No rate limit	No statutory rate ceiling	Unused
Street and Bridge	009-000	65 ILCS 5/11-81-1, 11-81-2	0.10%	No statutory rate ceiling	Unused
Playgrounds and Recreation	011-000	65 ILCS 5/11-95-7 through 11-95-10	0.20%	No statutory rate ceiling	Unused
Fire Protection	013-000	65 ILCS 5/11-7-1, 11-7-3	0.60%	No statutory rate ceiling	Unused
Police Protection	014-000	65 ILCS 5/11-1-3, 11-5-1	0.60%	No statutory rate ceiling	Unused
Emergency Services / Civil Defense	015-000	65 ILCS 5/8-3-16	0.05%	No statutory rate ceiling	Unused
Audit	018-000	65 ILCS 5/8-8-8	No rate limit	No statutory rate ceiling	Unused
Liability Insurance / Tort	019-000	745 ILCS 10/9-107	No rate limit	No statutory rate ceiling	Unused
School Crossing Guards	023-000	65 ILCS 5/11-80-23	0.02%	No statutory rate ceiling	Unused

Purpose	Cook code	Primary authority	Non-home reference	Oak Park treatment	Status
Lease or Purchase Agreement	027-000	65 ILCS 5/11-76.1-2	No rate limit; backdoor referendum	No statutory rate ceiling; procedural requirements may apply	Unused
Building Fund Notes	172-000	Specific borrowing authority/ordinance	See authority	No ceiling shown by Cook; counsel confirmation required	Unused
Corporate Notes	178-000	Specific borrowing authority/ordinance	See authority	No ceiling shown by Cook; counsel confirmation required	Unused

D. Additional statutory purposes in the Illinois Department of Revenue's municipal schedule

The statewide schedule includes additional special-purpose and bond authorities that are not configured as separate levies on Oak Park's 2025 Cook report. These include library capital and working cash; cemetery restoration; mental health; community buildings; hospital; sewage, flood, stormwater, waterworks, and wastewater zones; transportation; working cash; street lighting; parks; performing arts; public benefit; general assistance; unemployment; workers' compensation; ambulance; forestry; public comfort stations; levees; airports; public building commission leases; developmental-disability services; building restoration; disability recreation; harbor construction; Medicare; and multiple purpose-specific bond levies.

The Finance Department should incorporate IDOR's current schedule by reference rather than freeze all of those rates in the Board policy. Each annual levy memorandum should attach the current IDOR schedule, mark each purpose as active, unused, or not applicable, and identify any change from the prior year.

Appendix B - Legal and Practice Sources

1. Illinois Constitution, Article VII, Section 6 - home-rule taxation and debt powers
2. Illinois Department of Revenue, PTAX-1004, The Illinois Property Tax System (January 2026) - home-rule rate treatment and PTELL overview
3. Illinois Department of Revenue, Property Tax Fund Max Rate and Statute Reference (2026) - non-home-rule municipal purpose inventory
4. 35 ILCS 200/18-55 through 18-90 - Truth in Taxation definitions, estimate, notice, and hearing
5. 65 ILCS 5/8-3-1 - annual municipal corporate levy
6. 40 ILCS 5/3-125 - Police Pension financing
7. 40 ILCS 5/4-118 - Firefighters' Pension financing
8. 75 ILCS 5/3-4 and 3-5 - municipal library levy
9. Village of Oak Park, Special Service Areas memorandum (October 31, 2025) - SSA No. 1 and Downtown Oak Park Business Alliance
10. City of Evanston, FY 2025 Adopted Budget - component levy and reserve-supported flat levy disclosure
11. City of Geneva, November 17, 2025 levy estimate - CPI, new growth, EAV, and rate history
12. City of Wheaton, 2023 Budget Benchmark Framework - new growth and Library capital linkage
13. Metropolitan Water Reclamation District of Greater Chicago, 2025 ACFR - 5% overall levy policy with a stated exclusion
14. Illinois HB 5550 (104th General Assembly) - pending proposal to change the Truth in Taxation trigger; monitor before adoption

Document sources supplied for this review

15. Village of Oak Park Tax Levy Policy (existing three-page policy).
16. Cook County Clerk 2024 Agency Tax Rate Report for Village of Oak Park (final).
17. Cook County Clerk 2025 Levy Edit Report for Village of Oak Park (preliminary, May 28, 2026).