
TAX LEVY POLICY

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 according to Chapter 35 Illinois Compiled Statutes 200 (“Property Tax Code”), Article 18 (“Levy Extension Process”).

“VILLAGE” shall mean the Village of Oak Park.

II. SCOPE

The Village levies ad valorem taxes on real property located within the Village on an annual basis in accordance with the Property Tax Code Levy Extension Process. In order to not overburden the local tax base, the Village may adopt annual tax levy increases in accordance with this Policy.

III. POLICY

- A. **Property Tax Levy Calculation**—After accounting for the costs outlined 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 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, including Police, Public Works & Engineering, Streets, Fleet & Underground Utilities, Building & Grounds, Development Services, Neighborhood Services, Diversity Equity and Inclusion, Economic Vitality, Finance, Human Resources, Information Technology, and

Village Manager's Office. The annual increase for this component is tied to additional dollars available for new growth, as outlined 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 must 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 change in other Village revenue sources (see also "Revenue Policy" herein);
11. To sustain ample reserve levels as deemed appropriate by the Village Board Fund Balance Policy (see also "Fund Balance Policy" herein); and
12. Other financial considerations as applicable.

C. **Preliminary Budget Forecast**—Prior to the end of the Second Quarter of each Fiscal Year, the Village shall present to the Finance Committee a preliminary forecast that considers the criteria of subsection B above and the overall macroeconomic conditions that may impact the Levy.

D. **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 shall be held, per the Levy Extension Process.

E. **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 it 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, if any, by formal resolution.

ADOPTED: