

To: William T. Lichter  
Village Manager

From: Leonard J. Flood  
Director of Finance

Date: March 29, 2004

Subject: 2003 Property Tax Levy Rate Reallocation

Today, we received the 2003 Property Tax Rates for the Village of Lombard from DuPage County. In order to comply with the Property Tax Extension Limitation Act (Tax Cap), the Village has been advised that it must reduce its 2003 levy, as extended by the County Clerk, by \$82,462 (**Attachment A**).

The 2003 Property Tax Levy filed in December 2003 totaled \$6,413,220. To that amount, the County Clerk added approximately 1% or \$69,269 to the total for what is called "loss and costs" which represents the amount expected to be uncollectible. This amount is added in accordance with the provisions of state statute. Therefore, the Village's levy as extended totaled \$6,482,489. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$82,462.

The County Clerk reported that the Village's 2003 EAV was \$1,230,774,479, an increase of \$77,387,450 or 6.71% over the prior year. At the time the levy was prepared, the estimated 2003 EAV was \$1,217,451,488, which was \$13,322,991, or 1.08% lower than reported. The increase in EAV due to new growth and annexations totaled \$20,384,200 as compared to the estimate of \$22,700,273. The Village's base EAV increased by \$76,664,060 or 6.8% over the prior year. The original estimate projected an increase in the base EAV of \$59,677,216 or 5.3%. **Attachment B** provides a historical comparison of EAV growth over the last 10 years.

The Village's 2003 tax rate will be **.5200** per \$100 of EAV. That is .0169 or 2.42% lower than the prior year. **Attachment C** provides the Village's tax rate history for the last 10 years. The Village's 2003 tax rate is approximately 12% lower than it was 10 years ago.

I recommend that the entire reduction of \$82,462 be made proportionally across all levies. The net impact on revenues across all funds in the FYE 2005 Proposed Village Budget is only \$13.193 and may be made up entirely by prior period collections. This recommendation will be on the April 1 agenda for Village Board consideration and approval.

c. Finance Committee  
Department Heads  
Tim Sexton, Assistant Director of Finance  
Rhonda Heabel, Management Analyst