

## COUNCIL WORKSHOP ITEM

**ITEM:** PROPERTY TAX ABATEMENT  
**DATE:** FEB. 6, 2001  
**PREPARED BY:** Martin Lyons, Director of Financial Services  
**PURPOSE:** Per the December review of Revenues by the Village Council, staff has prepared a property tax abatement ordinance of \$1.0million.

### DISCUSSION:

In December 2000 the Village Council conducted a special meeting to discuss preliminary revenue estimates for the upcoming FY 2001-02 Budget and Five Year Plan process. During this meeting the Council discussed the potential for abating property taxes through a swap with other Village revenue sources. Financial Services has determined that a rate change of the Telecommunications tax from the current 2.3% to 3.0% would produce between \$950,000 and \$1.0 million, based on current collection levels. Because the telecommunications tax is also shared on a 75%/25% split with the Capital Projects Fund, this swap could also produce needed revenues for our growing list of sidewalk and street projects throughout the community. The Capital Projects fund would derive a revenue increase between \$320,000 and \$333,000. Conversely, if the Village wishes to make only a one to one swap of property taxes and telecommunications taxes, with no increase to the Capital Projects fund, the rate would need to change from 2.3% to 2.85%.

Based on budget numbers collected to-date, the Village does not have sufficient current revenues to allow for an abatement of property taxes without either a substitution of other revenues (such as telecommunications taxes), or a reduction in current service levels.

Abatement ordinances should be on file with the County by March each year. In order to meet this deadline the Council needs to adopt an ordinance at its February 20 meeting.

Tax Levy Abatement - 2000 AGGREGATE TAX LEVY  
**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE ABATING A PORTION OF  
THE 2000 AGGREGATE TAX LEVY**

WHEREAS, On December 19, 2000 the Council of the Village of Downers Grove, DuPage County, Illinois, adopted Ordinance 4236 entitled "2000 AGGREGATE TAX LEVY ORDINANCE" for the fiscal year commencing on the first day of May, 2000, and ending on the thirtieth day of April, 2001, (hereinafter referred to as the "Ordinance"), which Ordinance was, pursuant to law, filed in the office of the County Clerk of DuPage County, Illinois; and

WHEREAS, the Ordinance provided for a levy in the amount of \$8,034,908.00; and

WHEREAS, the Village of Downers Grove has sufficient funds available to abate a portion of the levy to reduce the amount of tax to be levied pursuant to the Ordinance accordingly,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

SECTION 1. That the amount of \$1,000,000.00 levied by the Ordinance be abated from the tax levy for the fiscal year commencing on the first day of May, 2000, and ending on the thirtieth day of April, 2001.

SECTION 3. That the Clerk of the Village of Downers Grove, DuPage County, Illinois, is hereby directed to file with the County Clerk of DuPage County, Illinois, a copy of this Ordinance, duly certified by said Village Clerk.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage as required by law.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

\_\_\_\_\_  
Mayor

Passed:

Published:

Attest: \_\_\_\_\_  
Village Clerk

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