

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING:** December 14, 2021

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**To:** Jim Marino, Village Manager

**From:** Dennis Bubenik, Director of Finance

**Topic:** 2021 Real Estate Tax Levy

## **PURPOSE**

It is necessary to file a real estate tax levy for 2021 with the County. As a non-home rule community, we are subject to setting the yearly real estate tax under the State mandated tax cap rules. These tax cap rules apply to the day-to-day and pension levy but not to the debt levy. A vote by the Village Board is required on the 2021 real estate tax levy.

## **PROCESS**

We discussed with the Board at their November 9, 2021 meeting, a draft 2021 real estate tax levy that meets the State's tax cap requirements. Those tax cap rules allow the total tax capped levy to increase by the change in CPI (1.4%) for the past year plus an increase for estimated new construction EAV (3.3%). That tax cap increase of 4.7% for the 2021 real estate tax levy is reduced by the debt levy, which is not subject to tax cap rules. Our debt levy decreases for 2021 so the 4.7% increase is reduced to a 3.8% increase for the total real estate tax levy.

## **OUTCOME**

The 2021 real estate tax levy meets State tax cap rules for non-home rule communities. It provides the village revenue of \$6,881,974 of which \$2,243,708 will be used in the general fund for day-to-day operations. \$3,993,416 is allocated for pension funds, which includes social security costs, and \$644,850 of revenue is allocated for the debt service fund to pay the required principal and interest on Village of Homewood's outstanding debt.

It should be noted that the Village of Homewood's share of the yearly real estate tax bill is approximately 10%. This total 2021 real estate tax levy of \$6,881,974 is an important revenue stream, which helps the Village provide high quality municipal services such as public safety and public works.

## VILLAGE OF HOMEWOOD



### FINANCIAL IMPACT

- **Funding Source:** No Financial Impact
- **Budgeted Amount:** N/A
- **Cost:** N/A

### LEGAL REVIEW

Not required

### RECOMMENDED BOARD ACTION

Pass 1) an ordinance levying taxes for corporate purposes and for special funds for the fiscal year commencing on the first day of May 2022 and ending on the thirtieth day of April 2023 for the Village of Homewood; 2) an ordinance increasing the 2021 street and bridge tax levy in the Village of Homewood; and 3) an ordinance directing the Cook County Clerk to reduce the Village of Homewood's 2021 Levy, if necessary, to comply with the property tax extension limitation law.

### ATTACHMENT(S)

Ordinances