



## Legislation Text

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**File #:** 23-0669, **Version:** 1

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**TO:** Mayor Richard C. Irvin

**FROM:** Christopher A. Minick, Chief Financial Officer/City Treasurer

**DATE:** October 17, 2023

**SUBJECT:**

An Ordinance Levying Taxes for the City of Aurora, Illinois, for the Fiscal Year January 1, 2023 through December 31, 2023

**PURPOSE:**

To facilitate the City Council's passage of the proposed 2023 property tax levies for the City

**BACKGROUND:**

The City obtains the resources for its operations through a variety of sources. The annual property tax levy provides a major share of our revenue - approximately 10% of the revenue for all city funds and about 35% of the revenue for the General Fund.

35 ILCS 200/18-60 requires that each taxing district in Illinois determine an estimate of monies to be raised by the taxation of taxable property not later than 20 days prior to adoption of a tax levy. Estimates of the 2023 property tax levies for the city were included in the proposed 2024 City Budget released on October 12, 2023.

**DISCUSSION:**

Attached as Exhibit 1 is a schedule presenting historical information related to the city's annual tax levies, tax rates, and assessed valuation. Attached as Exhibit 2 is the proposed 2023 property tax levy ordinances for the city, respectively.

As shown in Exhibit 2, the proposed city tax levy totals \$87,370,400 (including city debt service) and represents a 2.6% increase over the City's levy request of \$85,147,100. This is \$1,925,092 or 2.25% higher than the 2022 extensions. This change is due to a \$2.250 million increase in the Police/Firefighter Pension Fund Levies. The City's required contribution for public safety pension levies is increasing mainly due to the poor returns prevalent in the investment markets during 2022. The difference between the levy amount and the amount extended is an allowance for uncollectable taxes as added by the counties.

We anticipate that the 2023 property tax levy will result in an approximate 2.6% increase in the City portion of the tax bill as a result of the increase in the pension levies. The owner of a \$300,000 property would experience an annual increase of approximately \$44 for the City portion of the tax bill based on the estimated average EAV increase of 6.5% for the City overall.

While the total amount of the levy is increasing, it is anticipated that the City's tax rate will decline for the 9th straight year. Although we will not have the final amount until the spring of 2024, staff is estimating that the City's rate will decline by approximately 4%. The decline in the City's property tax rate is due to the continued increase in the City's property tax base as measured by Equalized Assessed Valuation (EAV), or taxable value.

Since 2015 the City's EAV has increased by over \$1.6 billion. During that same time frame, the City's tax rate has declined by 19% while property tax collections have increased by over 20%. The increase in EAV allows new money to come into the City's coffers while simultaneously reducing the tax rate paid by City property owners. Staff estimates that the City's EAV will increase by approximately 6.5% for the 2023 levy.

The following are the key dates leading to the passage of our 2023 property tax levies.

- 11/30/2023 Proposed tax levy ordinances considered by the Finance Committee.
- 12/5/2023 Proposed tax levy ordinances considered by the Committee of the Whole.
- 12/12/2023 City Council adopts tax levy ordinances during its regular meeting.
- 12/26/2023 Last day for filing tax levy ordinances with the county clerks

**IMPACT STATEMENT:**

Adoption of the 2023 Tax Levy Provides required funding for the City's General Operating, Police, and Firefighter's Pension Funds.

**RECOMMENDATIONS:**

That the City Council approve the proposed 2023 property tax levy as attached in Exhibit 2.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

ORDINANCE NO. \_\_\_\_\_  
DATE OF PASSAGE \_\_\_\_\_

An Ordinance Levying Taxes For the City of Aurora, Illinois, For The Fiscal Year January 1, 2023 Through December 31, 2023.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Each year the City of Aurora adopts a tax levy for the funding of City operations and pension expenses)

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:  
SECTION 1: That the total amount of expenditures legally budgeted by the City of Aurora to be collected from the tax levy of the fiscal year of said City commencing January 1, 2023 (excluding the General Obligation Bond and Interest Tax Levy) shall be the sum of eighty-three million three hundred seventy thousand four hundred dollars (\$83,370,400) and is hereby ascertained in the said amount to be assessed and levied upon and against all property within the corporate limits of the City of Aurora subject to taxation according to the value of said property as the same is assessed and equalized for State and County purposes for the aforesaid fiscal year.

SECTION 2: That the said sum of eighty-three million three hundred seventy thousand four hundred dollars (\$83,370,400) being the total of expenditures heretofore legally budgeted which shall be collected from the tax levy of the aforesaid fiscal year of the City of Aurora (excluding the General Obligation Bond and Interest Tax Levy), the same be and is hereby levied upon all of the property in the City of Aurora subject to taxation for the aforesaid fiscal year. That the purposes and various funds for which this tax levy is made, as budgeted by the City of Aurora, are designated on the following pages; that the amounts budgeted are designated under the column headed, "Amount Budgeted," that the portion thereof raised from sources other than City taxation rates is designated under the column headed, "Amount To Be Provided From Sources Other Than City Taxation Rates" and "Amount To Be Provided from Township Road and Bridge Tax" for street maintenance purposes; that the amount or portion of each item hereby determined to be provided from the Personal Property Replacement Tax is designated under the column headed "Amount To Be Provided From Personal Property Replacement Tax;" that the amount or portion of each item hereby levied, to be raised by the City Taxation Rates and comprising the said sum of eighty-three million three hundred seventy thousand four hundred dollars (\$83,370,400) is designated under the column headed "Amount To Be Levied From City Taxation Rates;" and that the totals of such amounts have been ascertained as aforesaid and for each fund as set forth on the following pages.

SECTION 3: That this levy ordinance is adopted pursuant to the procedures set forth in the Illinois Municipal Code; provided however, that any tax rate limitation, or any other limitation as to tax levies in the Illinois Municipal Code in conflict with this ordinance shall not be applicable to this ordinance pursuant to Section 6 of Article VII of the Constitution of the State of Illinois.

SECTION 4: That all ordinances or parts of ordinances conflicting with any of the provisions of this ordinance be and the same are hereby repealed.

SECTION 5: That this ordinance shall be in force from and after its passage and approval.

SECTION 6: That the City Clerk be, and is hereby directed to file with the office of the various County Clerks, a certified copy of this ordinance as provided by law.