

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
NOVEMBER 27, 2007 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Home Rule Sales Tax – Public Hearing	Resolution Ordinance Motion ✓ Discussion Only	Cara Pavlicek Village Manager

SYNOPSIS

A public hearing has been scheduled for December 4, 2007, as part of the regularly scheduled meeting of the Village Council to discuss increasing the Home Rule Sales Tax rate by a ¼ cent and dedicating this portion of the Home Rule Sales Tax revenue to the Stormwater Improvement Fund to be used for stormwater-related projects and maintenance costs.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2006-2011 identifies *Top Quality Village Infrastructure and Facilities*. A supporting objective is *Improved Stormwater and Drainage System*.

FISCAL IMPACT

Each ¼ cent of Home Rules Sales Tax currently generates \$2,300,000.

RECOMMENDATION

Information only.

BACKGROUND

The FY08 recommended budget identifies a number of sources from which the Village may generate revenues in order to implement stormwater projects as identified in the Watershed Infrastructure Improvement Plan. One proposed revenue source would increase the Home Rule Sales Tax rate by a ¼ cent and dedicate all increased revenue to the Stormwater Improvement Fund. The Village's current Home Rule Sales Tax rate is ½ cent.

Sales Tax in Downers Grove

State portion	5.00%
Village portion	1.00%
County portion	0.25%
County Water Commission (CWC)	0.25%
Regional Transportation Authority (RTA) portion	0.25%
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Total Sales Tax by State Regulation for General Merchandise	6.75%
 Village Home Rule portion	 0.50%
Total Sales Tax on General Merchandise (not applicable to vehicles & qualifying food/drug and medical appliances)	
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Current Total Sales Tax on General Merchandise	7.25%

On October 2, 2007, the Village Council adopted an official Village Policy on Ethical Standards which establishes *Standards of Village Governance* including a section that relates to Home Rule authority of the

Village. As the enactment of a Home Rules Sales Tax is pursuant to the Village's Home Rule authority, the Village Manager has provided for the following in accordance with the Village Policy:

- 1) A summary of the proposed ordinance has been published in a newspaper having general circulation in the Village and that copies of the proposed ordinance be made available for public distribution at the Downers Grove Library and Village Hall.
- 2) A statement setting forth the intended use of the additional revenue to be derived from such tax has been prepared and published and the public hearing will be held December 4, 2007 with respect to the proposed tax.
- 3) Notice of the time and place of such public hearing will be published at least once, seven days or more prior to the date of such hearing, in a newspaper having general circulation in the Village.
- 4) If, following the public hearing and at least three business days prior to a vote on adoption of the ordinance petitions opposing such proposed ordinance are filed with the Village Clerk containing signatures of eligible voters in the Village equal to 10% or more of the total votes cast for the office of Mayor at the last preceding election of Mayor, the petition will be presented to the Village Council prior to ordinance adoption and the Village Council shall consider the merits of presenting the issue to voters via advisory referendum.

ATTACHMENTS

N/A.