

RESOLUTION NO. R05 – 16

**A RESOLUTION EXPLAINING THE CITY COUNCIL'S DETERMINATION TO
ADOPT A HOME RULE SALES TAX**

WHEREAS, the City of Oakbrook Terrace is a home rule unit of local government under Article VII, Section 6 of the 1970 Illinois Constitution and, except as limited by such Section, it may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City Council has reviewed the benefits to the City of becoming a home rule unit of local government and has found those benefits to be significant, and of great assistance to the City Council, in its goal of assuring the life, health, and safety of the City's residents and businesses and the continued financial viability of the City government; and

WHEREAS, the City Council has determined that one of the most important benefits of home rule for the residents and businesses of the City is the City's ability to utilize Hotel-Motel Tax funds for general operating expenses; including, police protection, snow plowing and street repairs, facilities maintenance, emergency management services, and general administration, instead of having the use of those revenues restricted by State law to generating additional hotel stays and promoting tourism, conventions and other special events within the City; and

WHEREAS, the City Council strongly supports the current tourism advertising program sponsored through the City's Hotel, Convention and Visitors Commission and has continued to fund the program at levels that are acceptable to the Hotel Community and the City; and

WHEREAS, although home rule powers would allow the City to levy property taxes above the levels established by the Illinois Property Tax Extension Limitation Law (35 ILCS 200-18-185, *et seq.*) without referendum approval, the City Council has committed to not utilizing home rule powers to levy additional property taxes, and as evidence of that commitment, has adopted a home rule property tax cap provision which is contained within the Municipal Code of Ordinances (§35.95, *et seq.*); and

WHEREAS, the City Council has approved a five (5) year Capital Improvement Program (CIP) every year since 2001, and that the CIP program contains a listing of the types and costs of public improvements that the Council deems to be critical to assure the life, health, and safety of the City's residents and businesses; and

WHEREAS, the City Council has determined that it is appropriate and necessary to create a new source of funding for the public improvements contained within the CIP, including, but not limited to, the reconstruction and rehabilitation of City Hall, the Police Station and the Public Works Maintenance Facility and the construction of certain water system improvements; and

WHEREAS, the City Council, in its official capacity, wishes to provide a clear expression to all of its strong belief that one of the most important benefits of home rule for the residents and businesses of the City is the City's ability to utilize sales taxes for capital expenses, and that sales taxes will largely be paid by visitors to the community, and that the capital projects will serve to assist the City in continuing to provide police protection, snow plowing and street repairs, street reconstruction, facilities maintenance, emergency management services, and the maintenance and expansion of the potable water system, as contained with the CIP .

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Mayor and the City Council of the City of Oakbrook Terrace, DuPage County, Illinois, as follows:

Section One. *Approval of the Home Rule Sales Tax.* The City Council hereby reaffirms its vote on Ordinance No. 05 – 21 (An Ordinance Amending The Code Of Ordinances Of The City Of Oakbrook Terrace, As Amended, Title III (Administration); Chapter 35 (Taxes); To Add A New Subdivision Entitled *Home Rule Municipal Retailer's Occupation Tax* And A New Subdivision Entitled *Home Rule Municipal Service Occupation Tax*

Section Two. *Utilization of Home Rule Sales Tax Revenue.* The City Council hereby pledges to utilize Home Rule Sales Taxes for critical capital improvements as contained within the CIP, including, but not limited to, the reconstruction and rehabilitation of City Hall, the Police Station and the Public Works Maintenance Facility and the construction of certain water system improvements.

Section Three. *Home Rule Property Tax Cap.* The City Council hereby further commits itself not to utilize home rule powers to levy additional property taxes, and to that end, reaffirms its commitment to the home rule property tax cap as contained in the Municipal Code of Ordinances (§35.95, et seq.).

Section Four. *Continued Utilization of Hotel-Motel Tax Revenue.* The City Council hereby further pledges to continue to fund a tourism advertising program sponsored by the City, through its Hotel, Convention and Visitors Commission, at funding levels comparable to those that are currently in place, and further, the City Council hereby pledges that it will utilize Hotel-Motel Tax Revenue for critical City services including police protection, snow removal and street maintenance, facilities maintenance, and general administration.

PASSED AND APPROVED This 25th Day Of October, 2005.

AYES: Vlach, Thomas, M. Bojan, Sarallo, Durham, J. Bojan

NAYS: None

ABSENT: No one

APPROVED:

Thomas S. Mazaika
Thomas S. Mazaika, Mayor

ATTEST:

Elaine K. DeLuca
Elaine K. DeLuca, City Clerk