

**KTJ**

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To: Timothy Sexton, Finance Director, Village of Lombard

From: Thomas P. Bayer, Village Attorney

**Via e-mail only**

Date: December 17, 2009

**Re: Amendment to the Village Code Provisions  
Relative to the Electric Utility Tax – Revised Rates**

Attached please find the following Ordinance for your consideration, and for possible adoption by the Village Board in January, 2010:

AN ORDINANCE AMENDING TITLE 9, CHAPTER 98, SECTION 98.101 OF  
THE LOMBARD VILLAGE CODE IN REGARD TO THE ELECTRIC UTILITY  
TAX

In regard to said Ordinance, please be advised that the rates set forth therein are the maximum rates allowed pursuant to 65 ILCS 5/8-11-2(3). Previously, (since 1998), the Village was prohibited from establishing rates that would have produced gross tax revenues in excess of those produced by the prior five percent (5%) electric utility tax cap, pursuant to the following language set forth in said 65 ILCS 5/8-11-2(3):

“Notwithstanding the foregoing, until December 31, 2008, no municipality shall establish rates that are in excess of rates reasonably calculated to produce revenues that equal the maximum total revenues such municipality could have received under the tax authorized by this subparagraph in the last full calendar year prior to the effective date of Section 65 of this amendatory Act of 1997; provided that this shall not be a limitation on the amount of tax revenues actually collected by such municipality.”

Consequently, the rates currently set forth in Section 98.101 of the Village Code are less than the maximum rates set forth in the statute, and the attached Ordinance.

If the Ordinance is approved, the new rates would go into effect on March 1, 2010, so as to allow for the publication of the Ordinance in pamphlet form, and time for Commonwealth Edison to revise its billing program to include the new tax rates.

Upon adoption of the Ordinance, a certified copy should be forwarded to Commonwealth Edison.

If there are any questions, please feel free to call.

encl.

cc: David A. Hulseberg, Village Manager (w/ encl.; via e-mail)